

Via Federal Express

June 13, 2018

Internal Revenue Service
Attention: EO Determination Letters
Stop 31
201 West Rivercenter Boulevard
Covington, KY 41011

Re: *Application for Recognition of Exemption*
AU NFP
Tax ID Number: 83-0529332

Dear Sir or Madam:

Enclosed are the following documents with respect to AU NFP:

1. Form 8718 and a check for \$600 as payment of the user fee;
2. Form 1023 Checklist;
3. Power of Attorney and Declaration of Representative (Form 2848);
4. Form 1023 and Attachment;
5. Articles of Incorporation (as Exhibit A to Form 1023 attachment); and
6. By-Laws (as Exhibit B to Form 1023 attachment).

We respectfully request that the Internal Revenue Service recognize AU NFP as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Please call me if you need additional information to make such a determination.

Very truly yours,

HONIGMAN MILLER SCHWARTZ AND COHN LLP



Ryan B. Opel

Enclosures

**User Fee for Exempt Organization
Determination Letter Request**

▶ Attach this form to determination letter application.
(Form 8718 is NOT a determination letter application.)
▶ Go to www.irs.gov/Form8718 for the latest information.

For
IRS
Use
Only

OMB No. 1545-1798

Control number _____

Amount paid _____

User fee screener _____

Name of organization

Employer Identification Number

AU NFP

83-0529332

Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

1 Type of request

Fee

- a ☒ Application for recognition of exemption under section 501 or under section 521 from organizations (other than pension, profit-sharing, and stock bonus plans described in section 401). Enter the applicable fee amount ▶ \$ 600.00
- b ☐ Group exemption letters ▶ \$ _____

Section references are to the Internal Revenue Code, unless otherwise noted.

Instructions

The law requires payment of a user fee with each application for a determination letter. For more information, see Rev. Proc. 2018-5, 2018-1 I.R.B. 233, or latest annual update, available on IRS.gov.

Check only one box on line 1 for the type of application you are submitting. Then, enter the appropriate user fee amount in the space provided.

Caution: The application will not be processed without payment of the proper user fee.

Attach to Form 8718 a check or money order payable to the "United States Treasury" for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Generally, the user fee will be refunded only if the Internal Revenue Service declines to issue a determination.

Where To File

Send the determination letter application and Form 8718 to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

Who Should File

Organizations applying for federal income tax exemption, other than filers of Form 1023, Application for Recognition of Exemption Under Section 501(c)(3), or Form 1023-EZ (filed only electronically), should file Form 8718.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax-exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of Form 8718 are covered in section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 5 minutes. If you have suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from IRS.gov/FormComments. Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*, above.



AU NFP
ATTACHMENT TO FORM 1023
EIN: 83-0529332

This attachment provides narrative information in response to items in Form 1023, Application for Recognition of Exemption, submitted by AU NFP, a California Nonprofit Public Benefit Corporation (the “*Organization*”).

Part I Identification of Applicant

7. Are you represented by an authorized representative, such as an attorney or accountant?

Ryan B. Opel
Honigman Miller Schwartz and Cohn LLP
222 North Washington Square
Suite 400
Lansing, MI 48933-1800

James Combs
Honigman Miller Schwartz and Cohn LLP
2290 First National Building
660 Woodward Avenue
Detroit, MI 48226-3506

IRS Form 2848 (Power of Attorney and Declaration of Representative) is included with Form 1023.

8. Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in Line 7, paid or promised payment, to help plan, manage or advise you about the structure or activities of your organization, or about your financial or tax matters?

As is further described in Part IV, Ashford LLC (as defined in Part IV) has engaged a number of independent advisors to assist it with the establishment of the Organization, this application for tax exemption, and the review, consideration, evaluation, negotiation, and documentation of the Nonprofit Conversion and Bridgepoint Services (as defined in Part IV). Since the Organization is the intended successor of Ashford LLC following the Nonprofit Conversion, these engagements will ultimately inure to the benefit of the Organization.

These advisors and their credentials are described in Part IV under the heading “Independent Advisors.” Ashford LLC, and not the Organization, is paying for the respective services of these advisors.

9a. Organization's Website:

The Organization does not currently have a website. After the Nonprofit Conversion (as defined in Part IV), the Organization will assume use of the website (<https://www.ashford.edu>).

Part II Organizational Structure

1. **Attach a copy of your articles of incorporation showing certification of filing with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification.**

Articles of Incorporation for the Organization are attached as Exhibit A. There have been no amendments to the Articles of Incorporation since they were originally filed with California Secretary of State on May 9, 2018.

5. **Attach a current copy of bylaws showing date of adoption.**

Bylaws for the Organization are attached as Exhibit B, which were adopted by the Board of Trustees on May 18, 2018. There have been no amendments to the Bylaws since they were formally adopted.

Part IV Narrative Description of Your Activities

Describe your past, present and planned activities in a narrative.

The Organization has been incorporated under the Nonprofit Corporation Law of California (the "*California Nonprofit Corporation Law*") as a nonprofit public benefit corporation for the purpose of owning and operating the accredited, Title IV-participating, post-secondary institutions known as Ashford University ("*Ashford University*") and University of the Rockies ("*University of the Rockies*") as a single combined, independent, nonprofit institution under the name "Ashford University." The Organization is organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any subsequent federal tax laws (the "*Code*"); and within such limits, for the specific purposes of education, research, and public service, and to perform such other acts or carry on such other activities as may be permitted by nonprofit public benefit corporations under the Nonprofit Public Benefit Corporation Law and other laws of the State of California in order to accomplish the foregoing purposes.

History of Ashford University

Ashford University traces its roots to 1918 when the Sisters of St. Francis founded Mount St. Clare College in Clinton, Iowa, as a junior college for women. In 1950, Mount St. Clare was first accredited by the North Central Association of Colleges. The College's first baccalaureate degree was conferred in May of 1981. In December of 2002, Mount St. Clare College became The Franciscan University, which conferred its first Master's degree in May of 2004. The name was

later changed to Franciscan University of the Prairies. The institution was acquired in 2005 by Bridgepoint Education, Inc., a Delaware corporation that is publicly traded on the New York Stock Exchange ("**Bridgepoint**"). Bridgepoint changed the name of the university to Ashford University. In 2013 and 2014, Ashford University became accredited by the WASC Senior College and University Commission ("**WSCUC**"), and the College of Business and Professional Studies within Ashford University became the Forbes School of Business due to an alliance between Ashford University and Forbes Media.

Today, Ashford University is owned and operated by Ashford University, LLC, a California limited liability company (the "**Ashford LLC**") and wholly-owned subsidiary of Bridgepoint. Headquartered in San Diego, Ashford University currently offers more than 60 online associate's, bachelor's, and master's degree programs through its Forbes School of Business & Technology, College of Education, College of Health, Human Services, and Science, College of Liberal Arts, and Division of General Education. Ashford University seeks to make higher education accessible to a wide range of students who do not fit the mold of a "typical college student," including a significant population of working students and students with families. Students hail from across the country (approximately 51% from the South, 22% from the West, 16% from the Midwest, and 9% from the Northeast), have diverse backgrounds (approximately 43% are white, 38% black or African American, and 11% Hispanic, and approximately 70% are female), and many have military experience (approximately 25%).¹

More information about Ashford University can be found at www.ashford.edu.

History of University of the Rockies

The precursor to University of the Rockies, the Colorado School of Professional Psychology, was founded on June 18, 1998, in Colorado Springs. It was established to provide a professional graduate education in psychology to individuals seeking licensure as psychologists or as practitioners in other areas of the profession. In 2003, the school was granted initial accreditation by the Higher Learning Commission. Bridgepoint acquired the institution in 2007 and renamed it University of the Rockies.

Today, University of the Rockies is owned and operated by University of the Rockies, LLC, a Colorado limited liability company ("**Rockies LLC**"), which, like Ashford LLC, is a wholly-owned subsidiary of Bridgepoint. In addition to online courses, University of the Rockies offers ground classes from its facilities in downtown Denver. Currently offered degree programs include Doctor of Philosophy in Education, Doctor of Philosophy in Human Services, Doctor of Philosophy in Organizational Development and Leadership, Doctor of Psychology, Doctor of Psychology – Clinical Specialization, Master of Arts in Counseling, Master of Arts in Education, Master of Arts in Human Development, Master of Arts in Human Services, Master of Arts in International Leadership, Master of Arts in Organizational Development and Leadership, Master of Arts in Psychology, and Master of Arts in Public Sociology.

¹ Source: Institutional Research 2016.

More information about University of the Rockies can be found at www.rockies.edu.

The New Ashford University

On March 13, 2018, Ashford University and University of the Rockies announced their intent (subject to applicable regulatory approvals) to merge, creating one institution, and to separate from their parent company, Bridgepoint. As a combined institution operating under the name "Ashford University," the institution will return to its roots as an independent, nonprofit university. The proposed merging of University of the Rockies into Ashford University will create a comprehensive educational offering that will include Ashford University's existing undergraduate programs, master's programs from both universities, and University of the Rockies' doctoral programs. The addition of University of the Rockies' graduate-level social and behavioral sciences programs will enable the combined Ashford University to reach a wider array of students.

Following the Nonprofit Conversion, the Organization intends to engage Bridgepoint to provide Online Program Management ("*OPM*") services to the merged institution.

The completion of the merger of University of the Rockies into Ashford University and the combined Ashford University's conversion to nonprofit status are subject to customary closing conditions and the receipt of all requisite regulatory approvals (the "*Regulatory Approvals*"), which Regulatory Approvals include, without limitation, the following: (i) approval by WSCUC, (ii) approval by the U.S. Department of Education, (iii) approval by applicable state regulatory bodies, and (iv) the IRS's approval of this Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

The University of the Rockies Merger

Prior to the completion of the Nonprofit Conversion (described below), and subject to certain education regulatory approvals, Bridgepoint will cause its two subsidiaries, Ashford LLC and Rockies LLC, to be merged with one another, with Ashford LLC being the surviving company in the merger (the "*Rockies Merger*"). As a result of the Rockies Merger, the doctoral programs offered by University of the Rockies will become part of a separate doctoral college within Ashford University, University of the Rockies' master's programs will be integrated into Ashford University's existing colleges, and the combined institution will operate as "Ashford University."

The Nonprofit Conversion

Bridgepoint and Ashford LLC have long contemplated ways in which Ashford University could expand its academic services and offerings for the benefit of its current and prospective students, employees, faculty, and alumni. Bridgepoint and Ashford LLC ultimately concluded that greater resources and opportunities would be available to Ashford University for expanding its educational offerings and improving access for its students if Ashford University operated as a tax-exempt, nonprofit institution under the Code, applicable state law, and the Higher Education Act of 1965. Therefore, Bridgepoint and Ashford LLC have decided to convert Ashford LLC into a tax-exempt

California nonprofit public benefit corporation that will own and control Ashford University independently of Bridgepoint.

To implement this nonprofit conversion by which Ashford University will come to be independently owned and operated by a tax-exempt California nonprofit public benefit corporation (the "*Nonprofit Conversion*"), the following steps are planned, which steps will result in the Organization owning and operating Ashford University:

1. First, the Board of Trustees of Ashford LLC has already caused the Organization to be incorporated and organized for the sole purpose of, as a result of the Nonprofit Conversion, becoming the successor to Ashford LLC and the independent owner and operator of Ashford University (as combined with University of the Rockies following the Rockies Merger).
2. Second, the Rockies Merger will be consummated as described above.
3. Third, after receipt of all requisite Regulatory Approvals, Ashford LLC will be converted from a California limited liability company into a California corporation under the California Corporations Code by the filing of Articles of Incorporation with Statement of Conversion with the California Secretary of State (the resulting California corporation is hereinafter referred to as "*Ashford Inc.*"). As a result of this initial conversion:
 - (a) all membership interests then held by Bridgepoint in Ashford LLC will be extinguished and Bridgepoint will receive 100% of the shares of common stock in Ashford Inc.;
 - (b) all (i) rights and property, whether real, personal or mixed, of Ashford LLC shall be vested in Ashford Inc., (ii) debts, liabilities, and obligations of Ashford LLC shall continue as debts, liabilities and obligations of Ashford Inc., (iii) rights of creditors and liens upon the property of Ashford LLC shall be preserved unimpaired and remain enforceable against Ashford Inc. to the same extent as against Ashford LLC as if the conversion had not occurred, and (iv) actions or proceedings pending by or against Ashford LLC may be continued against Ashford Inc. as if the conversion had not occurred; and
 - (c) the officers and trustees of Ashford LLC shall become the officers and directors of Ashford Inc.
4. Fourth, as promptly as practicable following the conversion of Ashford LLC into Ashford Inc., Ashford Inc. will be further converted from a California corporation into a California nonprofit public benefit corporation under Section 911(a) of the California Corporation Code by the filing of a Certificate of Amendment to the Articles of Incorporation of Ashford Inc. with the California Secretary of State (the resulting

California nonprofit public benefit corporation is hereinafter referred to as "**Ashford NFP**"). As a result of this further conversion:

- (a) all shares of common stock then held by Bridgepoint in Ashford Inc. will be extinguished in exchange for certain conversion consideration described in the "Valuation" section below, and Ashford NFP will not have any members or owners;
 - (b) all (i) rights and property, whether real, personal or mixed, of Ashford Inc. shall be vested in Ashford NFP, (ii) debts, liabilities, and obligations of Ashford Inc. shall continue as debts, liabilities and obligations of Ashford NFP, (iii) rights of creditors and liens upon the property of Ashford Inc. shall be preserved unimpaired and remain enforceable against Ashford NFP to the same extent as against Ashford Inc. as if the conversion had not occurred, and (iv) actions or proceedings pending by or against Ashford Inc. may be continued against Ashford NFP as if the conversion had not occurred; and
 - (c) the officers and directors of Ashford Inc. shall become the officers and trustees of Ashford NFP.
5. Fifth, as promptly as practicable following the conversion of Ashford Inc. into Ashford NFP, Ashford NFP will be merged with and into the Organization (the "**NFP Merger**") under the California Corporation Code by the filing of an Agreement of Merger and Certificates of Approval of Agreement of Merger with the California Secretary of State. No consideration will be paid in NFP Merger. As a result of NFP Merger:
- (a) the Organization shall be the surviving entity in NFP Merger and the corporate existence of the Organization shall continue as the successor-in-interest to Ashford LLC, Ashford Inc., and Ashford NFP;
 - (b) the separate corporate or limited liability company existences of Ashford LLC, Ashford Inc., and Ashford NFP shall cease;
 - (c) all (i) rights and property, whether real, personal or mixed, of Ashford LLC, Ashford Inc., and Ashford NFP shall be vested in the Organization, (ii) debts, liabilities, and obligations of Ashford LLC, Ashford Inc, and Ashford NFP shall continue as debts, liabilities and obligations of the Organization, (iii) rights of creditors and liens upon the property of Ashford LLC, Ashford Inc, and Ashford NFP shall be preserved unimpaired and remain enforceable against the Organization to the same extent as against Ashford LLC, Ashford Inc, and Ashford NFP as if the foregoing conversions and merger had not occurred, and (iv) actions or proceedings pending by or against Ashford LLC, Ashford Inc, and Ashford NFP may be continued against the Organization as if the foregoing conversions and merger had not occurred; and

- (d) the Organization will continue to use its existing Articles of Incorporation and Bylaws following the NFP Merger;
- (e) the officers and trustees of the Organization will remain in place following the NFP Merger;
- (f) the Organization will be renamed "Ashford University"; and
- (g) the effects of the NFP Merger shall otherwise be as prescribed by applicable law.

Attached as Exhibit C is a draft Summary of Terms and Conditions of Proposed Agreement and Plan of Conversion reflecting the currently anticipated terms and conditions of the Nonprofit Conversion as of the date of this application, although such terms and conditions are still being negotiated by Bridgepoint and Ashford LLC, are subject to revision, and may not be finalized until after all Regulatory Approvals have been obtained.

As is described below, significant efforts have been undertaken and safeguards established to ensure that the terms and conditions of the Nonprofit Conversion are negotiated independently and at arm's length by Bridgepoint and Ashford LLC, respectively, and to the extent that any consideration is paid to Bridgepoint in connection with the Nonprofit Conversion, such consideration will under no circumstances exceed the fair market value of Ashford University (as combined with University of the Rockies) as of the date of the closing of the Nonprofit Conversion.

As with the Rockies Merger, the Nonprofit Conversion is considered a "Structural Change" under the policies and procedures of WSCUC and will, therefore, require WSCUC approval prior to being consummated. Ashford University submitted its proposal for the Nonprofit Conversion to WSCUC for approval on February 12, 2018, and WSCUC is currently reviewing the proposed Nonprofit Conversion.

Bridgepoint Services

The desire of Ashford LLC to return Ashford University to its roots as an independent, nonprofit university that is no longer owned by Bridgepoint coincides with a strategic decision by Bridgepoint to move away from its current structure as a holding company for educational institutions in favor of becoming an Online Program Management company that provides online administrative management services to a broad array of institutions. During this transition, all parties are committed to ensuring continuity of service to the existing students of Ashford University and University of the Rockies so that they will continue to receive at a minimum the same high level of educational experiences and support that they currently receive from Ashford LLC and Rockies LLC.

For the past three years, Ashford LLC and Bridgepoint have had in place a shared services agreement pursuant to which Bridgepoint provides certain non-academic administrative services to assist Ashford LLC with the operation of Ashford University. These services include back office

administrative services such as human resources, information technology infrastructure, marketing and admissions, legal, compliance and regulatory support, financial aid processing, student advising, and alumni and career services. Upon completion of the Nonprofit Conversion, the support functions currently performed by Bridgepoint under the shared services agreement will be essential to the success of the operation of Ashford University. For that reason, the Organization intends to engage Bridgepoint to provide Ashford University with certain ongoing services as Bridgepoint's first OPM customer. While the exact services are still being negotiated, it is anticipated that they will include OPM services and transition services.

The OPM services (collectively, the "*OPM Services*") are currently expected to include the following:

- Enrollment
 - Student recruitment and pre-applicant screening (but not evaluating applications)
 - Student marketing and advertising
 - Corporate partnership recruitment
 - Student advisors (other than academic advisors)
- Financial Aid
 - Initial counseling of applications for all forms of financial aid (including VA and TA)
 - Document collection to produce completed financial application
- Institutional Support
 - Data management and business analysis
 - Operational reporting
- Information technology
 - Systems and networking support
 - Classroom technology
 - Learning management system, including Constellation
 - Library system and rights management
 - Web design and maintenance
 - Data warehouse and data analytics
 - Data management and governance (privacy and access management)
 - IT security (for Bridgepoint systems)
- Support Services for Academics
 - Instructional design and project management for integration of curriculum content into Learning Management System ("LMS") shell
 - Support for accessibility-related course needs
 - Administration of third-party tutoring contracts
 - Student and faculty help desk for courses
 - Library administration, including librarians and collection curation
 - Writing center support services

- Waypoint

The transition services that Bridgepoint will provide the Organization on a temporary basis not to exceed five years (collectively, the *"Transition Services"*) are currently expected to include the following:

- External relations
 - Public relations and communications administrative support
- Institutional support
 - Finance
 - Treasury management
 - ✓ Cash management
 - ✓ Banking relationships
 - ✓ Debt management
 - Accounting and reporting, including financial statement development
 - Financial analysis
 - Human resources
 - Employee benefits
 - Payroll and related taxes
 - Compensation administration--using AU compensation ranges
 - Staff recruitment support
 - Faculty recruitment support
 - Employee relations and counseling
 - Employee training and development
 - Federal work study payroll administration
 - Purchasing
- Facilities management (at end of current leases)
- Information technology
 - Telephone system
 - Desktop support, including email
 - Financial information system
 - Human resources system
 - Student information system
 - Academic/business systems analytics
 - Systems and networking support
 - Systems integration and interface
 - Document imaging services
 - IT security (for Organization systems)
- Financial aid and student accounts processing
 - Financial aid review, awarding and processing
 - Collections

- Quality assurance

Bridgepoint will not provide, and the Organization will be solely responsible for performing, the following functions:

- Faculty Instruction
 - Course construction and production
 - Development of course syllabi
 - Curriculum development and course sequencing
 - Establishment of degree programs, degree levels, student learning outcomes, course objectives and number of credits
 - Assessing student learning, including assigning grades
 - The University's various schools and colleges, including honors, doctoral, business and technology, education, health, human services, and science, liberal arts and general education.
 - Faculty research
- Academic support
 - Academic advising (Faculty advising specifically)
 - Peer counseling (Faculty)
 - Content design and course development
 - Initial course development
 - Review and approval of course design, including use of third-party vendors
 - Final approval of completed course
 - Independent ability to make small changes to completed course
 - Academic program portfolio management
 - Copyrights for courses and programs
 - Library holdings and services
 - Institutional research and reporting
 - Data analytics
 - Institutional effectiveness and learning assessment, including program reviews
 - Assessment and evaluation of prior learning
- Enrollment
 - Establishing admission requirements and exceptions, admission and matriculation of students, including decisions regarding re-entry, re-admission, retention, withdrawal, academic standing, and dismissal
 - Student orientation
 - Registrar and student records management
 - Registering students in classes
 - Awarding and recording credit
 - Degree audit
 - Maintaining records of student performance
 - Handling appeals and exceptions to academic policies and requirements

- Risk mitigation /student fraud management
 - Transcript requesting and receiving
 - Student dispute resolution
 - Veteran's benefits and military tuition assistance certification and management
 - Federal and state financial aid administration and quality assurance oversight
 - Federal work study management
- Student Life
 - Access and wellness
 - Disability accommodations
 - Crisis intervention
 - Student engagement programs
 - Student affinity clubs and organizations
 - Student honors
 - Student mentorship
 - Career services
 - Student retention and success/coaching
 - Student veterans services
- Institutional Advancement
 - Fundraising
 - Alumni relations
- External relations
 - Accreditation
 - Regulatory compliance and governmental relations
 - State regulatory group
 - Federal regulatory group
 - Community colleges relationships
 - Community relations
 - Public relations and communications oversight
 - Relationship with Forbes Media
 - Relationship with US military
- Institutional support
 - Legal affairs
 - Strategic planning
 - Finance
 - Budget development
 - Audit
 - Auditing of AU and BPI contract services
 - ✓ Annual financial reporting
 - ✓ Reviews of BPI financial aid packaging and recruitment processes
 - Human Resources
 - HR policies and procedures/employee and faculty handbooks

- Salary administration oversight (AU salary structure)
- Late stage recruitment and selection of staff and course instructors and assistants
- Employment of faculty and staff
- Staff and faculty performance evaluation
- Faculty training and development
- Risk management and insurance
- Continuing Education and Professional Development

The OPM Services and Transition Services (collectively, the ***“Bridgepoint Services”***) will be provided pursuant to the terms of one or more services agreements between Bridgepoint and the Organization. Attached as Exhibit D is a draft Summary of Terms and Conditions of Proposed Services Agreements reflecting the currently anticipated terms and conditions of the Bridgepoint Services as of the date of this application, although such terms and conditions are still being negotiated by Bridgepoint and Ashford LLC, are subject to revision, and may not be finalized until after all Regulatory Approvals have been obtained.

As is described below, significant efforts have been undertaken and safeguards established to ensure that the terms and conditions of the Bridgepoint Services are negotiated independently and at arm’s length by Bridgepoint and Ashford LLC, respectively, and that the consideration to be paid to Bridgepoint for the Bridgepoint Services, as set forth in the definitive service agreements to be entered into at the closing of the Nonprofit Conversion, will under no circumstances exceed the fair market value of such services.

Special Committee

Throughout the process of developing and negotiating the terms and conditions of the Nonprofit Conversion and Bridgepoint Services, Ashford LLC has been focused on safeguarding its independence (and, therefore, the independence of the Organization as Ashford LLC’s intended successor) by ensuring that the Nonprofit Conversion and Bridgepoint Services are negotiated at arms-length and that the Organization is paying no more than fair market value for the Nonprofit Conversion or the Bridgepoint Services. The Ashford LLC Board of Trustees has embraced the following guiding principles for the Nonprofit Conversion and Bridgepoint Services: (a) preserving the existing Ashford LLC governance structure intact during the pendency of the Nonprofit Conversion to best manage the operations of Ashford University in furtherance of its mission and the best interests of Ashford University and its students; (b) preserving the independence of the Ashford LLC Board of Trustees from Bridgepoint; and (c) ensuring that Bridgepoint has no control over: (i) any determinations by the Ashford LLC Board of Trustees whether or not to approve the Nonprofit Conversion and Bridgepoint Services; (ii) Ashford LLC’s negotiation of the terms of the Nonprofit Conversion and Bridgepoint Services with Bridgepoint; or (iii) the operation of Ashford University following the consummation of the Nonprofit Conversion.

To this end, on February 14, 2018, Ashford LLC’s Board of Trustees established a Special Committee (the ***“Special Committee”***) charged with reviewing, considering, evaluating,

negotiating, and determining on behalf of Ashford LLC whether or not to recommend that Ashford LLC's Board of Trustees approve the Nonprofit Conversion and Bridgepoint Services. The Special Committee has been specifically authorized to do the following on behalf of Ashford LLC:

1. formulate, establish, oversee, and direct a process for the evaluation and negotiation of the Nonprofit Conversion and the Bridgepoint Services;
2. evaluate and negotiate the terms of any proposed definitive documents, instruments, and agreements in respect of the Nonprofit Conversion and Bridgepoint Services that the Special Committee may deem necessary or advisable, including, without limitation, the continuation of the ongoing discussions with Bridgepoint regarding the Rockies Merger or otherwise in connection with the Nonprofit Conversion or Bridgepoint Services;
3. make such recommendations to the Ashford LLC Board of Trustees in connection with the Nonprofit Conversion and Bridgepoint Services as the Special Committee deems necessary or advisable, including, without limitation, that the Board of Trustees approve (or not approve) the Nonprofit Conversion and the Bridgepoint Services and any definitive documents, instruments, and agreements relating thereto;
4. (a) select and engage such consultants, advisors, and agents (including, without limitation, legal counsel, financial advisors, valuation experts, accountants, compensation consultants, etc.) as the Special Committee deems necessary or desirable in connection with the Nonprofit Conversion and Bridgepoint Services or otherwise in connection with the exercise of the Special Committee's authority as delegated by Ashford LLC's Board of Trustees; (b) enter into (or cause Ashford LLC to enter into) such engagement agreements and other contracts as the Special Committee deems necessary or advisable with respect to the retention, compensation, and indemnification of such consultants, advisors, and agents; and (c) pay (or cause Ashford LLC to pay) all fees, expenses, and disbursements of such consultants, advisors, and agents; and
5. take any and all other actions and to do or cause to be done any or all other things that the Special Committee determines to be necessary or advisable with respect to the review, consideration, evaluation, and negotiation of the Nonprofit Conversion and the Bridgepoint Services.

In exercising the foregoing authority, the Ashford LLC Board of Trustees has specifically (a) instructed the Special Committee to take into account only what is in the best interests of Ashford University and its students and not the interests of Bridgepoint, and (b) indicated that the Nonprofit Conversion and Bridgepoint Services may not be consummated and no definitive documents or other instruments or agreements shall be executed with respect to the Nonprofit Conversion and Bridgepoint Services until formally approved by action of the Ashford LLC Board of Trustees after taking into consideration the Special Committee's recommendation and any other matters deemed relevant by the Board of Trustees:

The current members of the Special Committee are Ms. Mary Jo Maydew (Chair), Dr. Carol Kasworm, and Mr. Richard N. Katz, each of whom is a member of the Board of Trustees of both Ashford LLC and the Organization and are Independent for purposes of the Rules of Engagement (as described below). As is evidenced by their credentials (summarized below in response to Part V, Line 3a), each is eminently qualified to serve on the Special Committee.

Rules of Engagement

To further safeguard the independence of Ashford LLC (and, therefore, the Organization as Ashford LLC's intended successor), and to ensure that the Nonprofit Conversion and Bridgepoint Services are negotiated at arms-length and that the Organization is paying no more than fair market value for the Nonprofit Conversion or the Bridgepoint Services, Bridgepoint, Ashford LLC, Ashford LLC's voting trustees, and Ashford LLC's President and Chief Executive Officer collectively adopted the Rules of Engagement attached as Exhibit E (the "*Rules of Engagement*") to establish protocols and procedures relating to the consideration of the Nonprofit Conversion and Bridgepoint Services.

As noted in the Rules of Engagement, the Nonprofit Conversion and Bridgepoint Services are only being pursued to the extent that they satisfy the following requirements: (a) they serve the best interests of Ashford University (as combined with University of the Rockies) and its students; (b) they are fair and reasonable to Ashford University and the Organization; (c) they create the best opportunity for the continued long-term success of Ashford University and its mission of providing high-quality, accessible, affordable, and innovative, educational programs that meet the diverse needs of individuals pursuing advancement in their lives, professions, and communities; and (d) they comply with all legal requirements applicable to the parties (including, without limitation, compliance by the Organization as a nonprofit, tax-exempt organization with all legal requirements applicable to (i) nonprofit public benefit corporations under California law and (ii) tax-exempt organizations described in Section 501(c)(3) of the Code). The parties have further agreed that preserving Ashford LLC's independence (and, therefore, the independence of the Organization as Ashford LLC's intended successor) and the independence of the governing Boards of Trustees of both Ashford LLC and the Organization before, during, and after the Nonprofit Conversion is of paramount importance. The purpose of the Rules of Engagement, then, is to ensure that the members of Ashford LLC's Board of Trustees can continue in that capacity before the Nonprofit Conversion and that they can serve on the Organization's Board of Trustees after the Nonprofit Conversion, without conflict of interest with respect to the Nonprofit Conversion or Bridgepoint Services at any time and while preserving their independence and ability to act solely in the best interests of Ashford University (whether through Ashford LLC or the Organization) before, during, and after the Nonprofit Conversion.

Highlights of the Rules of Engagement include the following (this summary is qualified in its entirety by the actual Rules of Engagement attached as Exhibit E):

1. The Ashford LLC Board of Trustees reviewed and affirmed that all 14 of its voting trustees (who are also all 14 of the Organization's trustees) are Independent of Bridgepoint and Ashford LLC and free from any material financial interest in the Nonprofit Conversion and

Bridgepoint Services. For purposes of the Rules of Engagement, a trustee is considered ***“Independent”*** unless that trustee: (a) has a direct contractual or employment interest in Ashford LLC, the Organization, or with Bridgepoint or any person or entity controlling, controlled by, or under common control with Ashford LLC, the Organization, or Bridgepoint (excluding service on the Boards of Trustees of Ashford LLC and the Organization and committees thereof); (b) owns or exercises voting control over any equity securities of Bridgepoint or Ashford LLC; (c) has any direct or indirect contractual, employment, personal, or familial financial interest in Ashford University, Ashford LLC, the Organization, or Bridgepoint (excluding service on the Boards of Trustees of Ashford LLC and the Organization and committees thereof); and (d) is compensated as an employee or other contracted party by Ashford LLC, the Organization, or Bridgepoint (excluding for service on the Board of Trustees of Ashford LLC and the Organization and committees thereof). Each trustee has agreed to, at all times prior to the consummation of the Nonprofit Conversion, remain Independent and free to act based solely on his or her judgment as to the best interests of Ashford University and its students.

- (a) In evaluating whether each trustee is Independent, the Ashford LLC Board of Trustees specifically acknowledged that Dr. Gregory L. Geoffroy (***“Dr. Geoffroy”***), the Chairperson of the Board of Trustees of Ashford LLC and the Organization, was previously a party to a now-terminated Consulting Service Agreement with Bridgepoint. In light of that agreement’s termination, it was concluded that the Consulting Service Agreement does not compromise Dr. Geoffroy’s status as Independent or constitute a conflict of interest with respect to the Nonprofit Conversion or the Bridgepoint Services.
- (b) In evaluating whether each trustee is Independent, the Ashford LLC Board of Trustees specifically acknowledged that the following trustees were designated by Bridgepoint to serve on the Ashford LLC Board of Trustees: Dr. Geoffroy, Dr. Merle W. Harris, Dr. Craig W. Linebaugh, Cheryl Ann Oldham, Dr. Geri Hockfield Malandra, and Colonel Paul Aguirre (collectively, the ***“Bridgepoint Designees”***). While these Trustees were designated by Bridgepoint, they cannot be removed without approval of the full Board of Trustees. In light of this fact and the fact that the Bridgepoint Designees are all otherwise Independent, it was concluded that the fact that the Bridgepoint Designees were designated by Bridgepoint to serve on the Ashford LLC Board of Trustees does not compromise their status as Independent or constitute a conflict of interest with respect to the Nonprofit Conversion or the Bridgepoint Services.
- (c) In evaluating whether each trustee is Independent, the Ashford LLC Board of Trustees specifically acknowledged that trustees have historically received *de minimis* stipends for their service on the Ashford LLC Board of Trustees and committees, which stipends have been historically paid by Bridgepoint on Ashford LLC’s behalf at the following rates: \$2,500 annually to each voting trustee, with an additional \$1,000 annually to each voting trustee who attends each of four regular board meetings, an additional \$500 annually to each voting trustee who chairs a board committee, an additional \$500

annually to each voting trustee who serves on more than one board committee, and an additional \$1,500 annually to the board chair. In light of the fact that these stipends were paid strictly for Board service, were paid by Bridgepoint on Ashford LLC's behalf as an administrative convenience, and were *de minimis* in amount, it was concluded that the fact that trustees received stipends for their service on the Ashford LLC Board of trustees from Bridgepoint does not compromise their status as Independent or constitute a conflict of interest with respect to the Nonprofit Conversion or the Bridgepoint Services. Bridgepoint and Ashford LLC have agreed that from the effective date of the Rules of Engagement until the Nonprofit Conversion all stipends paid to Trustees for their board service will be paid by Ashford LLC.

2. Bridgepoint and Ashford LLC specifically agreed that, prior to Nonprofit Conversion, Ashford LLC's Board of Trustees and Ashford LLC's executive management team shall (a) continue to direct and manage Ashford University with respect to all matters within their respective purviews in furtherance of its mission and the best interests of Ashford University and the students it serves, and (b) conduct all negotiations, deliberations, or votes regarding the Nonprofit Conversion and Bridgepoint Services on behalf of Ashford LLC (to the limited extent they are not recused from such negotiation, deliberations or votes as described below) based solely on his or her judgment as to the best interests of Ashford University and its students (and not the interests of Bridgepoint or any other person or entity).
3. Out of an abundance of caution and notwithstanding the affirmation that each Bridgepoint Designee is Independent, each Bridgepoint Designee has agreed to recuse himself or herself from all negotiations, deliberations, and votes relating to the Nonprofit Conversion and Bridgepoint Services; provided, however, that, so long as the following activities do not result in any Bridgepoint Designee exerting undue influence over, voting on, or making any determinations regarding Ashford LLC's strategies and goals in negotiating with Bridgepoint or proposed financial terms being negotiated between Ashford LLC and Bridgepoint:
 - (a) the Special Committee and Ashford LLC's Board of Trustees may, in their sole discretion, seek and access expertise of the Bridgepoint Designees to the extent that either deems necessary or appropriate to assist the Special Committee or Ashford LLC's Board of Trustees in performing their duties and making their determinations regarding the Nonprofit Conversion and the Bridgepoint Services; and
 - (b) the Bridgepoint Designees may, upon the request or with the acquiescence of the Special Committee or Ashford LLC's Board of Trustees:
 - (i) answer questions from, provide feedback, analysis, and opinions to, and otherwise carry out specific requests of the Special Committee or Ashford LLC's Board of Trustees regarding the Nonprofit Conversion and the Bridgepoint Services;

- (ii) be advised by the Special Committee, Ashford LLC's Board of Trustees, other committees thereof and/or Ashford LLC's executives from time to time about the Nonprofit Conversion and Bridgepoint Services generally, including, without limitation, the general rationale, guiding principles, priorities, goals, concerns, proposed structure, the status of the Nonprofit Conversion (including the status of negotiations with Bridgepoint), and the manner in which Ashford University will operate after the Nonprofit Conversion;
 - (iii) if necessary or advisable with respect to obtaining any Regulatory Approvals, participate in discussions regarding publicly-disclosed aspects of the Nonprofit Conversion and Bridgepoint Services with the relevant regulators;
 - (iv) receive copies of, and provide feedback and comments to the Special Committee and Ashford LLC's Board of Trustees regarding, the materials provided by the Special Committee and such other materials (including, without limitation, draft transaction agreements, supporting materials, and excerpts thereof) as the Special Committee or Ashford LLC's Board of Trustees deems necessary or advisable for purposes of enabling the Bridgepoint Designees to carry out these permitted activities listed in clauses (i)-(vi);
 - (v) to the extent determined to be necessary or appropriate in order to obtain any Regulatory Approvals, participate and vote in any All Trustee Deliberation and Vote (as described below); and
 - (vi) attend and participate in the relevant portions of meetings of the Special Committee, Ashford LLC's Board of Trustees and the other committees thereof solely for the purpose of engaging in these permitted activities listed in clauses (i)-(vi).
4. The Rules of Engagement acknowledge that Ashford LLC's President and Chief Executive Officer (who also serves as a non-voting member of Ashford LLC's Board of Trustees) currently owns certain Bridgepoint stock, restricted stock units, and stock options, which (as explained in Part V, Line 2c) will be divested prior to the Nonprofit Conversion. Ashford LLC's President and Chief Executive Officer has agreed to recuse himself from all negotiations and deliberations relating to the Nonprofit Conversion and Bridgepoint Services, except that he may, upon the request of the Special Committee or Ashford LLC's Board of Trustees, engage in the permitted activities described above in 3(b) with respect to the Bridgepoint Designees, except that Ashford LLC's President and Chief Executive Officer shall not participate in any All Trustee Deliberation and Vote.
5. If the Special Committee recommends the approval of the Nonprofit Conversion and the Bridgepoint Services to Ashford LLC's Board of Trustees, Ashford LLC's Board of Trustees will conduct the following deliberations and votes on whether to approve the Nonprofit Conversion and Bridgepoint Services: (a) one round of deliberations and voting by just the Ashford LLC trustees who are not Bridgepoint Designees, which vote will

determine whether or not Ashford LLC formally approves the Nonprofit Conversion and the Bridgepoint Services; and (b) if determined to be necessary or appropriate in order to obtain Regulatory Approvals, a second round of deliberations and voting by all Ashford LLC trustees who are Independent (the "*All Trustee Deliberation and Vote*").

6. Based on Bridgepoint's desire to enable the negotiations and consummation of the Nonprofit Conversion and Bridgepoint Services to be free from conflicts of interest, Bridgepoint: (a) directed Ashford LLC and its trustees and President and Chief Executive Officer to, in all matters relating to the Nonprofit Conversion and Bridgepoint Services and the operation of Ashford University after the Nonprofit Conversion, to disregard the interests of Bridgepoint and to consider solely the interests of Ashford LLC (including the Organization as its intended successor), Ashford University, and its students; (b) agreed that the good faith exercise by Ashford LLC's Board of Trustees of the responsibilities to act as described in the preceding clause (a) shall not constitute a breach of any fiduciary or other duty owed by any Ashford LLC trustee to Ashford LLC or Bridgepoint, and all such duties were waived, and (c) without in any way limiting any other rights to indemnification provided by contract or under applicable law, Bridgepoint agreed to indemnify and hold harmless each Ashford LLC trustee from any and all costs, expenses, liabilities, and other losses that may be incurred by such trustee in connection with carrying out his or her duties under the Rules of Engagement, his or her service as an Ashford LLC trustee, or otherwise in connection with the Nonprofit Conversion and Bridgepoint Services, except to the extent caused by such trustee's own bad faith, gross negligence, or willful misconduct.
7. Bridgepoint agreed not to dividend, sweep, or in any other way distribute to itself cash from Ashford LLC to an extent that would leave Ashford LLC with insufficient funds to meet its obligations to operate its educational institution and implement the Rules of Engagement and evaluate, negotiate, consummate, and fund the Nonprofit Conversion and Bridgepoint Services, subject to a general transaction budget to be mutually agreed to by Bridgepoint and the Ashford Special Committee.

Independent Advisors

As further evidence of its independence, Ashford LLC has engaged, or is currently finalizing engagements with, a number of independent advisors to assist it with the establishment of the Organization, this application for tax exemption, and the review, consideration, evaluation, negotiation, and documentation of the Nonprofit Conversion and Bridgepoint Services. Since the Organization is the intended successor of Ashford LLC following the Nonprofit Conversion, these engagements will ultimately inure to the benefit of the Organization. These advisors include the following:

Honigman Miller Schwartz and Cohn LLP

Honigman Miller Schwartz and Cohn LLP provides legal advice to Ashford LLC in connection with the establishment of the Organization, this tax exemption application, and the review, consideration, evaluation, negotiation, and documentation of the Nonprofit Conversion and Bridgepoint Services. The firm is an Am Law 200 full-service general

business law firm with nearly 300 attorneys serving clients locally, nationally, and internationally from its Midwest base and counseling them on complex issues in more than 60 legal practice areas. For nearly 70 years, Honigman has been repeatedly commended by peers and clients for exceptional performance. The firm's Corporate/M&A, Intellectual Property, Litigation, and Real Estate practices are ranked in the top tier in Michigan by Chambers USA: America's Leading Lawyers for Business 2017. U.S. News - Best Lawyers "Best Law Firms" ranks 16 of the firm's major practice areas nationally among the nation's most prominent law firms. Additional information regarding the firm may be found on its website (<http://www.honigman.com>).

Hogan Lovells US LLP

Hogan Lovells US LLP is a full service law firm and provides legal advice to Ashford LLC in connection with the establishment of the Organization, this tax exemption application, and the review, consideration, evaluation, negotiation, and documentation of the Nonprofit Conversion and Bridgepoint Services. Hogan Lovells is a global legal practice that helps corporations, financial institutions, educational institutions, and governmental entities across the spectrum of their critical business and legal issues globally and locally. The firm has over 2,700 lawyers operating out of more than 47 offices in the United States, Latin America, Europe, the Middle East, and Asia. Hogan Lovells has a widely recognized national and international education practice that has worked with universities, colleges, independent schools, education associations, education companies, and investors to solve a range of legal and regulatory challenges, including in the context of complex business transactions. Additional information regarding the firm may be found on its website (<http://www.hoganlovells.com>).

Barrington Research Associates

Barrington Research Associates is a full-service investment bank providing equity and industry research, institutional sales and trading, investment banking and asset management and provides valuation services to Ashford LLC in connection with the Nonprofit Conversion and the Bridgepoint Services. Barrington currently covers seven primary research verticals and 13 sub-verticals. Within this research universe, for-profit education is a primary focus of the firm. Barrington began covering the post-secondary education industry on a research basis in 1992 with the initial public offering of DeVry, Inc., and as the various other post-secondary education companies came public during the 1990's and 2000's, Barrington Research initiated research coverage on most of them, and the firm has generally maintained that coverage to this day. As a result, the firm currently covers most of the publicly-traded post-secondary education companies, and the firm has, over the years, provided coverage on many other post-secondary companies that are either still public or have since been taken private. In addition, Barrington has participated in almost every public offering (both initial public offerings and secondary offerings) in the post-secondary education industry during the past 25 years, and has also been active in a number of nonprofit transactions as well. Additional information regarding the company may be found on its website (<http://www.brai.com>).

Dr. James T. McGill

Dr. James T. McGill is a career-long higher education administrator and provides consulting services to Ashford LLC in connection with the Nonprofit Conversion and Bridgepoint Services. Beginning on the staff of the Illinois Board of Higher Education, he served at the University of Illinois Medical Center (now part of the University of Illinois Chicago) and then 30 years as the chief finance and administrative officer at three institutions – the Oregon Health and Sciences University, the University of Missouri System and the Johns Hopkins University where he retired in July, 2010, having served for twelve plus years. He has been responsible for a broad range of functions including finance, business operations, institutional research, facilities, investments and banking, information technology, and human resources. Since retiring from full-time duties, he has consulted with more than a dozen higher education and nonprofit institutions, recruiting financial talent, supporting financial and strategic planning, and serving as an interim CFO at three institutions. McGill received B.A. and B.S. (Honors) degrees in mathematics from Oregon State University and a Ph.D. in operations research from Stanford University.

Arthur J. Gallagher & Co.

Arthur J. Gallagher & Co. is a consulting firm and provides Ashford LLC with advice regarding executive compensation. Additional information regarding the firm may be found on its website (<http://www.ajg.com>).

Valuation

Ashford LLC and the Organization are unequivocally committed to ensuring that the aggregate consideration paid to Bridgepoint for the Nonprofit Conversion and the Bridgepoint Services, as set forth in definitive documents to be executed in connection with the Nonprofit Conversion, does not exceed the fair value of the aggregate benefits to be received by the Organization from the Nonprofit Conversion and Bridgepoint Services. Fundamental to this process is the performance of comprehensive and independent valuation studies so that Ashford LLC can clearly understand the value of Ashford University itself and the value of the Bridgepoint Services in the context of current practices among OPM service providers in the marketplace. These independent valuation studies will be performed for Ashford LLC (and inure to the benefit of the Organization as the intended successor of Ashford LLC) by Barrington Research Associates (whose credentials are described above), and the ultimate consideration for the Nonprofit Conversion and fees for the Bridgepoint Services will be negotiated in line with the results of these studies.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a. List the names, titles and mailing addresses of all of your officers, directors and trustees. For each person listed, state their total annual compensation, or proposed compensation, for all services to the organization, whether as an officer, employee or other position.**

The names and titles of each of the Organization's trustees are provided below, and each has a mailing address of 8620 Spectrum Center Blvd., San Diego, CA 92123. None of the trustees

will be compensated by the Organization prior to the completion of the Nonprofit Conversion, but the table below provides approximate annual compensation amounts currently being paid by Ashford LLC to its trustees, each of whom are also trustees of the Organization. The amount of compensation (if any) to be paid to the trustees following the Nonprofit Conversion will not be finalized until closer to the completion of the Nonprofit Conversion. If the Organization elects to compensate its trustees, prior to finalizing the compensation amounts, the Organization will obtain an independent compensation study from Arthur J. Gallagher & Co. (or a comparable, nationally-recognized compensation expert) to verify that compensation amounts do not exceed amounts paid to similarly-situated trustees by similarly-situated organizations.

Name	Title	Compensation
Dr. Gregory L. Geoffroy	Trustee and Chairperson of the Board	\$7,000
Mary Jo Maydew	Trustee and Vice Chairperson of the Board	\$6,000
Col. Paul Aguirre	Trustee	\$5,000
Dr. Leila González Sullivan	Trustee	\$5,000
Dr. Grey Edwards Jr.	Trustee	\$5,000
Dr. Merle W. Harris	Trustee	\$5,000
Dr. Carol Kasworm	Trustee	\$5,000
Dr. Paula Kelly	Trustee	\$5,500
Dr. Meredyth A. Leahy	Trustee	\$5,500
Dr. Craig W. Linebaugh	Trustee	\$5,000
Dr. Geri Hockfield Malandra	Trustee	\$5,500
Dr. Peter Negroni	Trustee	\$5,500
Ms. Cheryl Ann Oldham	Trustee	\$5,000
Mr. Richard N. Katz	Trustee	\$6,000

The names and titles of each of the Organization's officers are provided below, and each has a mailing address of 8620 Spectrum Center Blvd., San Diego, CA 92123. None of the officers will be compensated by the Organization prior to the completion of the Nonprofit Conversion, but the table below provides currently anticipated total annual compensation amounts following the Nonprofit Conversion. The actual amount of compensation to be paid to the officers following the Nonprofit Conversion will not be finalized until closer to the completion of the Nonprofit Conversion. Prior to finalizing compensation amounts for officers, the Organization will obtain an independent compensation study from Arthur J. Gallagher & Co. (or a comparable, nationally-recognized compensation expert) to verify that compensation

amounts do not exceed amounts paid to similarly-situated officers by similarly-situated organizations.

Name	Title	Compensation
Dr. Craig D. Swenson	President and Chief Executive Officer	\$605,000
Sheri Jones	Senior Vice President – University Services & Strategic Planning and Secretary	\$340,000
James Smith	Senior Vice President – Finance, Chief Financial Officer, and Treasurer	\$345,000
Dr. Laura Palmer Noone	Provost, Senior Vice President for Academic Affairs, and Chief Academic Officer	\$460,000
Katie Scheie	Vice President and University Registrar	\$190,000
Robert Daugherty	Executive Dean – Forbes School of Business and Technology	\$420,000
Dr. Courtney (Tony) Farrell	Executive Dean – College of Education	\$200,000
Dr. Adam L. Selhorst	Executive Dean – College of Liberal Arts	\$200,000
Dr. Justin Harrison	Executive Dean – Division of General Education	\$200,000
Dr. Laura Sliwinski	Executive Dean – College of Health, Human Services, and Science	\$200,000
Dr. Jeremy Moreland	Vice Provost for Research & Executive Dean – Doctoral College	\$275,000
Dr. Charles R. Minnick	President, Clinton Campus	\$230,000
Michael Robinson	Vice President, University Services and Policy	\$220,000
Dr. Stephen Nettles	Associate Vice President, Institutional Effectiveness	\$225,000

Stephanie Cowsert	Associate Vice President, Financial Aid Policy & Compliance	\$160,000
Thuy Lien	Assistant Secretary	\$130,000
Poppy Fitch	Associate Vice President, Student Affairs, ADA/Title IX Coordinator	\$180,000
Dr. Iris Lafferty	Associate Vice President, Academic Affairs	\$160,000
Jacquie Furtado	Associate Vice President of Strategy Management & Engagement	\$190,000
Morgan Johnson	Associate Vice President, Center for Excellence in Teaching and Learning	\$170,000
Tricia Lauer	Associate Vice President, Learning Assessment and Program Review	\$165,000

1b. List the names, titles and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year.

The names and titles of each of the Organization's five highest compensated employees (who are not officers noted in 1a above) are provided below, and each has a mailing address of 8620 Spectrum Center Blvd., San Diego, CA 92123. None of these employees will be compensated by the Organization prior to the completion of the Nonprofit Conversion, but the table below provides currently anticipated total annual compensation amounts following the Nonprofit Conversion. The actual amount of compensation to be paid to these employees following the Nonprofit Conversion will not be finalized until closer to the completion of the Nonprofit Conversion. Prior to finalizing compensation amounts for these employees, the Organization will obtain an independent compensation study from Arthur J. Gallagher & Co. (or a comparable, nationally-recognized compensation expert) to verify that compensation amounts do not exceed amounts paid to similarly-situated employees by similarly-situated organizations.

Name	Title	Compensation
Dr. Eric Klein	Dean, Honors College	\$165,000
Dr. Jeffrey D. Hall	Associate Dean, Division of General Education	\$155,000

Dr. Richard Pattenau	President Emeritus and Professor of Political Science	\$150,000
Dr. Loraine Devos-Camby	Director of Institutional Effectiveness	\$160,000
Wendy Sickora	Military and Academic Outreach Director	\$140,000

1c. List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year.

Bridgepoint Education, Inc., 8620 Spectrum Center Blvd., San Diego, CA 92123, will provide the Organization with the Bridgepoint Services. A full description of these Services, including a description of how the compensation for such Services is being determined, can be found in Part IV.

Ashford LLC also made payments to the law firms, valuation experts, and other consultants as described in Part I, Line 8.

2a. Are any of your officers, directors or trustees related to each other through family or business relationships?

The Organization anticipates that its officers and trustees will be the same individuals who are the officers and trustees of Ashford LLC. The current officers and trustees of Ashford LLC, all of whom are (as discussed in Part IV) independent from Bridgepoint, are a highly qualified and effective group of individuals who, because of their experience, ability and understanding of the institution, are uniquely suited to guide Ashford University through a complex regulatory process and implement the myriad of changes required as part of the Nonprofit Conversion. Accordingly, the Organization has determined that maintaining continuity in the governance structure of Ashford University will further its educational mission by providing institutional stability for the students and faculty, without compromising the integrity of Ashford University.

Officers Michael Robinson (Vice President, University Services and Policy) and Poppy Fitch (Associate Vice President, Student Affairs, ADA/Title IX Coordinator) are spouses.

2c. Are any of your officers, directors or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1a, 1b, or 1c through family or business relationships?

All of the Organization's trustees, officers, and highly compensated employees currently hold similar positions with Ashford LLC, which is a wholly-owned subsidiary of Bridgepoint, which will be an independent contractor of the Organization following the Nonprofit Conversion.

Certain officers and employees of Ashford LLC, who are or will be officers or employees of the Organization, received, as part of their compensation from Ashford LLC, stock, restricted stock units or stock options in Bridgepoint ("Bridgepoint Stock"). Prior to the Nonprofit Conversion, all officers and management employees of the Organization will be totally divested of their Bridgepoint Stock and all non-management employees of the Organization will be either totally divested of their Bridgepoint Stock or have their Bridgepoint Stock reduced, both individually and in the aggregate, to below de minimis levels. Any such divestment will be in compliance with the conflict of interest policy of the Organization. Under no circumstances will the consideration received by any such officer or employee for his or her Bridgepoint Stock exceed the fair market value of such stock.

Dr. Geoffroy, a trustee and the Chairperson of the Board of the Organization, previously performed consulting services for Bridgepoint pursuant to a Consulting Services Agreement that was terminated effective February 28, 2018. Under this Consulting Services Agreement, Dr. Geoffroy could receive annual compensation of up to approximately \$150,000.

James Smith, Treasurer, Senior Vice President, Finance, and Chief Financial Officer worked for Bridgepoint from March 2012 to February 2014 as the AVP, Financial Planning and Analysis and from June 2015 thru Feb 2016 as the VP, Finance.

3a. For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

Each such trustee, officer, employee, and independent contractor identified below will work at least the minimum amount of hours required to effectively perform the duties associated with, and required of, the position or role held by such person.

Board of Trustees.

The Board of Trustees is generally responsible for ensuring that the Organization operates in accordance with its mission and the purposes for which it seeks tax-exempt status. The duties of the Board of Trustees include overseeing the management and programs of the Organization, as well as setting and approving the Organization's annual budget. A biographical resume of each trustee is provided below. Each trustee is currently, and until the Nonprofit Conversion will continue to be, a trustee of Ashford LLC.

Dr. Gregory L. Geoffroy, Chairperson

Dr. Gregory L. Geoffroy brings more than 30 years of experience in higher education to the Board of Trustees. Currently, he is President Emeritus at Iowa State University in Ames, Iowa, where he spent the previous ten years as the institution's President. From 1997 to 2001, Dr. Geoffroy served as Senior Vice President for Academic Affairs and Provost at University of Maryland in College Park, Maryland. He was at Pennsylvania State University from 1974 to 1997, where he held a variety of leadership positions, including

Dean of the Eberly College of Science and Head of the Chemistry department. Dr. Geoffroy currently sits on the Board of Directors of the Bankers Trust Corporation and is a Grand Council Member of Tau Kappa Epsilon fraternity. He earned a PhD in Chemistry from the California Institute of Technology and a BS in Chemistry from the University of Louisville.

Mary Jo Maydew, Vice Chairperson

For more than 30 years, Mary Jo Maydew has been providing financial guidance to colleges and universities. From 2000 to 2011, she was the Vice President for Finance and Administration at Mount Holyoke College in South Hadley, Massachusetts where she had previously been Treasurer since 1987. Prior to that, Ms. Maydew held the positions of Assistant Treasurer and Assistant to the University Controller at Cornell University. Currently, Ms. Maydew serves on the Board of Trustees for Wilson College and the Board of Directors for the Holyoke Medical Center.. In addition, she recently completed a seven-year term as a Commissioner on the New England Association for Schools and Colleges Commission on Institutions of Higher Education. She has served on the Board of Directors for several educational organizations, including the Tuition Plan Consortium, the National Association of College and University Business Officers, and the Eastern Association of College and University Business Officers. Ms. Maydew earned her MBA from Cornell University and her BS in Accounting from the University of Denver.

Col. Paul Aguirre

Lt. Col. Paul Aguirre is the Logistics Readiness Squadron Commander for the 161st Air Refueling Wing (ARW) of the Arizona National Guard. He has served more than 25 years in the military, deploying to Afghanistan from 2011 to 2012, where he worked in the Chief of Staff's office at the NATO Headquarters in Kandahar, Afghanistan. His diverse management experience includes serving as the Public Affairs Officer for the Arizona National Guard, where he represented the over 8,000 members of the Arizona Department of Emergency and Military Affairs to media and community groups. He also has an extensive financial management background that includes 12 years as the Comptroller for the 161st ARW, managing an annual budget exceeding 40 million dollars, and Resource Manager for the Joint Counter Narcotics Task Force, a joint Army and Air Guard program supporting local, county, state, and federal law enforcement agencies. He has served on the Board of Directors of the Arizona Hispanic Chamber of Commerce and the National Guard Association of Arizona. A strong advocate for adult education, Lt. Col. Aguirre earned his BA from the University of Phoenix while on active duty with the Arizona National Guard.

Dr. Leila González Sullivan

Dr. Leila González Sullivan is an adjunct faculty member and faculty facilitator for the New York Student Cluster in the School of Education Leadership for Change of the Fielding Graduate University. In 2009, she retired from her full-time position as the W. Dallas Herring Professor of Community College Education in the Department of Adult and Higher Education at North Carolina State University. In 2001, Dr. González Sullivan also served as the Interim Director for Community College Relations at The College Board. Prior to that, she has held community college presidencies in the states of Connecticut and

Maryland. Dr. González Sullivan has been involved in the community college movement at the national, regional, and local levels for many years. She has served on the board of directors of the American Association for Community Colleges twice, was the national president of the American Association for Women in Community Colleges (AAWCC), and was the Executive Director of the National Community College Hispanic Council's Leadership Fellows Program. She served 12 years as a member of the board of trustees for the American University of Rome and presently chairs the Community Coalition on Race in Maplewood, NJ. Dr. González Sullivan holds her EdD in Vocational Education and EdS in Adult Education from the University of Arkansas. She holds her MA in Spanish Literature from New York University and earned her BA from Trinity College in Washington, D.C. Her research interests focus on the effects of leadership training, an area in which she has published numerous articles and book chapters.

Dr. Grey Edwards Jr.

Dr. Grey Edwards Jr. has more than 45 years of service in the military and served as a practitioner of the U.S. Army adult education program. Presently, Dr. Edwards is Chief of the Army Continuing Education Services (ACES) Hub at Fort Benning, Georgia, where he directs the organization, development, synchronization and execution of ACES operations at five installations supporting over 50,000 soldiers. Prior to his role at ACES Hub, Dr. Edwards served as the Education Services Officer at Fort Rucker, Alabama, where he provided supervisory and managerial guidance, leadership, employee development, performance and workload management, as well as work process analysis and training to an assigned workforce. Dr. Edwards has also served as Supervisory Education Services Specialist and Pre-discharge Education Program Supervisor at Giessen Education Center, Guidance Counselor at Kirchgoens Educations Center, Regional Administrator for Central Texas College's European Division in Hanau, Germany, and Teacher/Principal for the Virginia Beach School District. Dr. Edwards holds an EdD in Adult Education from Nova University, a MS in Education Supervision from Longwood College, a BA in History, Religion and Education from Fredrick College, and a certificate in Advanced Graduate Study in Counseling and Human Services from Boston University.

Dr. Merle W. Harris

Dr. Merle W. Harris brings 45 years of educational experience to the Board of Trustees. She has served in a variety of roles at institutions of higher education, high schools, grade schools and the Connecticut Department of Higher Education. Most recently, she served as Professor of Undergraduate and Graduate Programs in Public Policy and Higher Education Policy, Law and Foundations at Charter Oak State College and the University of Hartford in Connecticut. Dr. Harris also works as a consultant in planning, policy development and accreditation in education and higher education. From 1989 to 2008, Dr. Merle served as Executive Director of the Board for State Academic Awards and President of Charter Oak State College. She also served as Interim President of Central Connecticut State University and as Deputy Commissioner of the Division of Research Planning for the Connecticut Department of Higher Education. Dr. Merle currently sits on the Board of Regents for Higher Education and the Connecticut Allied Health Policy Board. She earned her EdD in Education Policy, Research and Administration from the University of

Massachusetts, and her MS in Guidance and Counseling and BS in Education from Central Connecticut State College.

Dr. Carol Kasworm

Dr. Carol Kasworm has nearly four decades of experience studying adult learners and is considered a leading authority on adult undergraduate students in higher education. She is the W. Dallas Herring Emerita Professor of Adult and Community College Education in the Department of Leadership, Policy and Adult and Higher Education at North Carolina State University. Her research interests have focused upon the adult undergraduate experience, including the nature of learning engagement and participation patterns of adult students, the situated influences of varied higher education contexts on adult learners, and the role of adult higher education in a lifelong learning society. Dr. Kasworm has held faculty appointments at University of Texas – Austin, University of Tennessee–Knoxville, University of Houston – Clear Lake and University of South Florida. She has also served as Associate Dean of Research and Technology in the College of Education at University of Tennessee – Knoxville and Associate Vice Chancellor for Faculty and Program Development at University of Houston – Clear Lake. In 2002, Dr. Kasworm was inducted into the International Adult and Continuing Education Hall of Fame. She received her BA in Psychology and Sociology from Valparaiso University, her MA in Higher Education Administration from Michigan State University and her EdD in Adult Education from the University of Georgia.

Dr. Paula Kelly

Dr. Paula Kelly has more than 20 years experience in higher education extended studies leadership and served as the Dean of the College of Extended Studies at San Diego State University. She was responsible for building strategic alliances with external partners including corporations, other universities, ministries and governmental agencies. She has a background in entrepreneurial self-support education and international business, and traveled to more than 30 countries in Asia, Europe, South America, and the Middle East to market and develop College of Extended Studies international training and development programs for SDSU. Dr. Kelly has served on several Boards of Directors including the University Continuing Education Association (UCEA), World Trade Center, Asian Business Association, and St. Vincent de Paul Village. She earned her doctorate in Education Leadership and Masters in Business Administration from the University of San Diego. She served as the Development Director for USD, Vice President of Development for Monarch School, and she is currently the Director of Development for International Relief Teams. Dr. Kelly has expertise in board development and corporate, foundation, major gift and capital campaign fundraising.

Dr. Meredyth A. Leahy

Dr. Meredyth A. Leahy has over 30 years experience working with adult educators and adult learners in basic literacy, secondary, continuing and higher education, in both public, private and military education venues, including Temple University and the Pennsylvania Department of Education, Cabrini College, Muhlenberg College, and Excelsior. From 1994 to 2008 she served as Dean, School of Liberal Arts, Excelsior College, Albany, New York.

Since her retirement, she has served as distance education adjunct faculty for Excelsior College teaching an undergraduate course on the history and philosophy of American education, and North Carolina State University where she taught a graduate course on the adult learner. She has served the American Council on Education's Military Installation Voluntary Education Review (MIVER) as a program review team member. Dr. Leahy earned her Bachelor's degree from Edinboro State Teachers College and her Master's and Doctorate degrees in adult education from Temple University, Philadelphia, Pennsylvania.

Dr. Craig W. Linebaugh

Dr. Craig W. Linebaugh brings a wealth of experience in higher education to the Board of Trustees. He has spent more than 35 years at The George Washington University serving in a variety of leadership roles, including Senior Associate Provost of Academic Operations, Associate Vice President for Academic Planning, and Chief Academic Operating Officer of the Virginia Science and Technology Campus in Ashburn, Virginia. Currently, he is a Professor of Speech and Hearing Science and a Research Professor of Medicine at The George Washington University. Dr. Linebaugh sits on the Board of Trustees Committee on a Science and Engineering Complex. He earned his post-doctoral fellow in Speech-Language Pathology from the Mayo Clinic, his PhD in Speech and Hearing Science and MA in Speech-Language Pathology from Temple University, and a BA in English Literature from Lebanon Valley College.

Dr. Geri Hockfield Malandra

Dr. Geri H. Malandra is the founder and principal of Malandra Consulting LLC, a firm created to assist higher education leaders with the development and implementation of outcomes-focused management, accountability, and policy initiatives. From 2012-2013, she served as Senior Advisor to the President of Kaplan University, after serving the previous two years as Provost. Prior positions include her role as the Senior Vice President for Leadership, Membership, and Policy Research at the American Council on Education, and as Vice Chancellor for Strategic Management for the University of Texas System. Dr. Malandra also served as Associate Vice Provost at the University of Minnesota, where she spent more than 16 years working in various leadership capacities. Her public service includes an appointment by former U.S. Secretary of Education Margaret Spellings to serve as a member and Vice Chair of the National Advisory Committee on Institutional Quality and Integrity. Dr. Malandra holds her MA and PhD in Ancient Studies from the University of Minnesota, Minneapolis. She earned her BA from Carleton College in Northfield, Minnesota.

Dr. Peter Negroni

Dr. Peter Negroni is currently a Senior Advisor and consultant to EMC Publishing and the College Board. A career educator with more than 50 years of experience in education, Dr. Negroni spent 30 years in the New York City Public Schools, starting as a teacher and ending with 10 years as a school superintendent in the Borough of the Bronx. During his career, Dr. Negroni acted as the Executive Director of an educational foundation in Catawba County, North Carolina, where he led an effort to reform the school districts in that county. In 1989, he was appointed Superintendent in Springfield, Massachusetts,

where he earned a national reputation as a transformational leader and was awarded the recognition of Superintendent of the Year. In 2000, Dr. Negroni returned to New York City to assume the position of Senior Vice President at the College Board, where he spent 13 years leading major efforts in the K-12 and International Divisions before retiring in August 2013. Dr. Negroni holds a doctorate from Fairleigh Dickinson University in Teaneck, New Jersey and a bachelor's degree from Iona College in New Rochelle, New York.

Cheryl Ann Oldham

Cheryl Ann Oldham is Vice President of Education Policy at the U.S. Chamber of Commerce. Her 20 years of experience in public policy, education, and government relations includes eight years of service in President George W. Bush's administration. Most recently, she served in a variety of roles with the U.S. Department of Education, including Acting Assistant Secretary for the Office of Postsecondary Education, Chief of Staff for the Office of the Under Secretary of Education, and Executive Director for the Secretary of Education's Commission on the Future of Higher Education. Oldham began her career serving as Health and Human Services Policy Director for the Texas Office of State-Federal relations in Washington, D.C. She also currently serves on the National Workforce Solutions Advisory Board. Oldham earned her JD from St. Mary University's School of Law and her BA in Political Science from Texas Christian University.

Richard N. Katz

Richard N. Katz contributes over 35 years of experience in higher education. Mr. Katz consults and advises on strategy, planning, technology, and performance management, and has served on numerous corporate, university, and association governing and advisory boards. Since 2010, he has served as Senior Advisor to the Deputy President of the National University of Singapore; Visiting Scholar at the University of Melbourne, Australia; and Executive Vice President of Nuventive, LLC. Mr. Katz served 14 years as vice president of EDUCAUSE, where he had executive responsibility for revenue programs, and held a variety of senior positions spanning 14 years at the University of California (UC). He was the second recipient of UC's Award for Innovative Management and Leadership. Mr. Katz has published extensively and his white paper Sustaining Excellence in the 21st Century: A Vision and Strategies for UC's administration guided business and finance change efforts broadly in higher education at institutions like UC Los Angeles, UC San Diego, University of Toronto, University of Utah and elsewhere. Mr. Katz holds an MBA from UC Los Angeles and earned his BA in International Studies from University of Pittsburgh.

Officers

The duties and responsibilities of the officers of the Organization are set forth in the Bylaws of the Organization, a copy of which is attached as Exhibit B. A biographical resume for each officer is provided below.

Each officer currently holds the same office with both Ashford LLC and the Organization. Upon completion of the Nonprofit Conversion when the Organization assumes ownership and

operation of Ashford University, the officers will cease to be officers of Ashford LLC and will perform their respective duties exclusively for the Organization.

Dr. Craig D. Swenson, President and Chief Executive Officer

Dr. Swenson is responsible for the overall quality and operations of Ashford University. With more than 30 years of experience in higher education, Dr. Swenson is a recognized national leader in higher education. In 2015, Dr. Swenson served as interim President of University of the Rockies. Prior to that, he served as Chancellor Emeritus and was a Professor of Higher Education Administration at Argosy University. He also served as Chancellor of the Argosy system and held the position of Chief Academic Officer for Education Management Corporation. Before his tenure at Argosy University, Dr. Swenson was Provost and Vice President of Academic Affairs at Western Governors University. Prior to that, he served as Provost and Senior Vice President of Academic Affairs over the University of Phoenix system. At University of Phoenix, he was a Senior Regional Vice President and a Vice President/Campus Director. Dr. Swenson is on the Board of Directors of the Council for Higher Education Accreditation (CHEA), and he serves on the Advisory Board for the CHEA International Quality Initiative. He is active as a peer reviewer and accreditation team chair for the Commission on Senior Colleges of the Western Association of Schools and Colleges. Dr. Swenson has been a member of the National Advisory Committee on Institutional Quality and Integrity (NACIQI); he has served on the Jacob K. Javits Program Fellowship Board at the U.S. Department of Education, was a non-federal negotiator for the U.S. Department of Education Negotiated Rulemaking process in 2007, and was a member of the U.S. Army Educational Advisory Committee. Dr. Swenson earned a PhD in Education with an emphasis in Adult and Organizational Learning at Walden University, a master's degree in Organizational Communication from Brigham Young University, and a bachelor's degree in Journalism and Mass Communications from the University of Utah.

Sheri Jones, Senior Vice President, University Services & Strategic Planning and Secretary

Ms. Jones oversees student-related functional areas, including policy and strategy management, institutional effectiveness, student affairs, and registrar functions. Ms. Jones also provides executive leadership to the Military and Veteran Student Services Task force and oversees military- and veteran-related operations and outreach. Ms. Jones has been responsible for the creation essential functional areas related to Ashford University's online student modality. Additionally, she has participated in multiple projects that demonstrate her fluency in licensure, accreditation, and legal compliance; information system planning and implementation; and the institutionalization of modern academic policies and procedures. Prior to joining the Ashford University team, Ms. Jones served in various leadership positions in higher education, including director of student services and administration for Argosy University and director of student services for the Georgia School of Professional Psychology. Ms. Jones is a member of the Society for College and University Planners, American Association of Collegiate Registrars and Admissions Officers, Student Affairs Administrators in Higher Education, the National Association of Student Financial Aid Administrators, the Council of College and Military Educators, the

Association for Institutional Research, the Association of Governing Boards of Universities and Colleges, the National Association of Colleges and Employers, and the National Career Development Association. She also serves on the Board of Directors for the San Diego Regional Chamber of Commerce: Defense Veterans and Military Affairs Committee and the Economic Development Center Foundation. Ms. Jones holds an MS in Education with a Specialization in Leadership for Higher Education from Capella University and a BS in Psychology from Averett University.

James Smith, Senior Vice President – Finance, Chief Financial Officer, and Treasurer

Mr. Smith is responsible for managing the annual budget and quarterly forecasting process, and performing monthly and quarterly variance analyses and reports in support of the Ashford University's objectives. Mr. Smith brings more than 20 years of experience in finance to Ashford University. He previously served as the Vice President of Finance for Bridgepoint and held several financial roles at Dresser Wayne and Wayne, a GE Energy Business, both in the United States and in England. He has also worked in the finance departments at Dell and Qualcomm. Mr. Smith earned his BS in Business Administration with an emphasis in Finance from San Diego State University. He currently serves on the Board of Directors for the Boys and Girls Clubs of Greater San Diego and Chelsea's Light Foundation.

Dr. Laura Palmer Noone, Provost, Senior Vice President for Academic Affairs, and Chief Academic Officer

Dr. Palmer Noone is responsible for all aspects of Ashford University's academics and the academic mission. Dr. Palmer Noone previously served as executive dean and then provost of University of the Rockies. In 2015, she served as the interim executive dean of the Forbes School of Business and Technology. She has also served as a university provost and university president. She brings a national reputation as a higher education thought leader and speaker, and has served higher education associations as a board member, including her current role as a member of the Board of Directors of the Lumina Foundation. Dr. Palmer Noone received her Doctor of Philosophy from the Union Institute, her Juris Doctor and MBA from the University of Iowa, and bachelor's degree from the University of Dubuque.

Katie Scheie, Vice President and University Registrar

Ms. Schie oversees all areas of Ashford University's Registrar's Office, including admission and matriculation, student records, registrar operations, articulation, quality assurance, graduation, and risk mitigation. In addition, she oversees the development, implementation, and monitoring of academic policies to ensure compliance with regulations applicable to the higher education environment. Ms. Scheie has been with Ashford University since 2007. Ms. Scheie brings more than 10 years of experience in private sector education. Since joining the Ashford University team, Ms. Scheie has served in several roles, including Associate Vice President of Academic Services, Associate University Registrar/Director of Admission and Matriculation, Associate Director of Matriculation, Matriculation Coordinator/Quality Assurance Lead, and Admissions Counselor. Ms. Scheie holds a MA in Education with a Specialization in Higher Education

from Ashford University and a BA in Teledramatic Arts and Technology from California State University, Monterey Bay.

Robert Daugherty, Executive Dean – Forbes School of Business and Technology

Mr. Daugherty oversees all academic, curricular, and co-curricular policies and programs for the Forbes School of Business and Technology. His duties include coordinating faculty in various academic environments, as well as serving as a liaison with accrediting agencies. Prior to joining the Ashford University team, Mr. Daugherty served as the CEO of the Jack Welch Management Institute, where he successfully grew the school and oversaw its merger with Strayer Education. He also served as Chairman of Eduventures and as CEO of Cognitive Arts, a leading provider of instructional design technology for colleges and universities. Mr. Daugherty also possesses extensive experience teaching and leading university students and corporate clients. He has served on various panels at conferences and symposiums, speaking on topics ranging from international higher education to venture capital investing. Most recently, Mr. Daugherty served as a Fulbright Specialist, participating in a program funded by the U.S. Department of State's Bureau of Educational and Cultural Affairs where he worked with college and university presidents and boards in Africa and the Middle East. Mr. Daugherty holds a bachelor's degree in Economics from Harvard University, a master's degree in American Studies from Columbia University, and a master's degree in Management from the University of Cambridge.

Dr. Courtney (Tony) Farrell, Executive Dean – College of Education

As Executive Dean of the College of Education, Dr. Farrell oversees the daily management of the college. He is responsible for all full-time and adjunct faculty within the college and leads operations for the College of Education's offices in San Diego, Denver, and Iowa. Before he was promoted to the position of Executive Dean, Dr. Farrell served Ashford University as Associate Dean of the College of Education, Assistant Professor, and Adjunct Faculty. His previous administrative experience includes positions as Assistant Principal at Cimarron Middle School, Assistant Principal at Soaring Hawk Elementary, and Dean of Students/Athletic Director at Mountain Ridge Middle School. Dr. Farrell also possesses extensive experience as a teacher, having served as a Lecturer at the University of Phoenix and as a Special Education and Physical Education Teacher at multiple K-12 schools. He is a published author and has been invited to present at numerous conferences. Dr. Farrell holds a PhD in Special Education from the University of Hawaii, an MEd in School Administration from the University of Oklahoma, an MS in Special Education from National University, and a BA in Interdisciplinary Studies from National University.

Dr. Adam L. Selhorst, Executive Dean – College of Liberal Arts

As Executive Dean of the College of Liberal Arts, Dr. Selhorst provides leadership in all aspects of the college's operations. He is responsible for developing degree programs, overseeing personnel, supervising curriculum, managing the college's budget, and collaborating with other Ashford University leaders to ensure a positive experience for all students. Before taking on the role of Executive Dean, Dr. Selhorst served Ashford University as Associate Dean in the College of Liberal Arts, Academic Department Chair, and Program Chair of Environmental Studies. His previous academic experience includes

positions as a Fellow at the National Science Foundation, Lecturer at the Ohio State University, Lecturer at Leeward Community College, Researcher at the University of Hawaii, and Student Research Scientist at Kenyon College. Dr. Selhorst is also a published author, a journal reviewer, and a prolific presenter at conferences and workshops. Dr. Selhorst holds a PhD and MS in Environmental Science from the Ohio State University, an MA in Public Policy and Management from the Ohio State University, an MBA in Entrepreneurship from Ashford University, and a BA in Biology from Kenyon College.

Dr. Justin Harrison, Executive Dean – Division of General Education

As the Executive Dean of the Division of General Education, Dr. Harrison provides management and leadership in all areas of general education, including the development of course curriculum. He also oversees the faculty for Ashford University's general education disciplines. Before he took on the role of Executive Dean, Dr. Harrison held several key positions with Ashford University. He was Associate Dean of the College of Liberal Arts, Chair of General Education, Academic Department Chair, and an Assistant Professor/Chair of Philosophy. Dr. Harrison has significant experience as a college-level professor, having taught courses at Ashford University, Loyola University Chicago, Harper College, Harold Washington College, the University of Toledo, Columbia Southern University, and Argosy University Online. He is a published author and has presented at numerous conferences. Dr. Harrison holds a PhD from Loyola University Chicago, an MA in Philosophy from the University of Toledo, and a BA in Biology/Pre-Med from Taylor University.

Dr. Laura Sliwinski, Executive Dean – College of Health, Human Services, and Science

As Executive Dean of the College of Health, Human Services, and Sciences, Dr. Sliwinski manages the academic programs of the college and leads the college's online faculty, staff, and curriculum. Prior to her role as Executive Dean of the College of Health, Human Services, and Sciences, Dr. Sliwinski served in many roles for Ashford University, focusing on program quality and accreditation, new program development, and faculty development and support. Dr. Sliwinski has extensive experience in healthcare management and organization development and has served as a consultant, presenter, and keynote speaker in the healthcare industry for over 15 years. She received her master's in Health Administration from Tulane University and a Ph.D. in Organizational Psychology from Alliant International University.

Dr. Jeremy Moreland, Vice Provost for Research & Executive Dean – Doctoral College

Dr. Moreland is responsible for overseeing all academic programs for Ashford University's Doctoral College that is being established in connection with the Rockies Merger, including instruction, online and classroom delivery, curriculum, assessment, and quality assurance; academic operations; assessment and institutional effectiveness; research and scholarship; policy and governance; student affairs; and budget for those programs. Dr. Moreland was previously Provost and Chief Academic Officer at University of the Rockies. Prior to that, he served as Academic Dean and Executive Director as well as

Associate Dean at University of Phoenix's School of Advanced Studies and was on its doctoral research faculty. He also served as Director of Institutional Assessment and Planning at Phoenix College. Before his tenure at Phoenix College, Dr. Moreland was Education Research Associate and Accountability Data Administrator at Arizona Department of Education's Research and Policy Division. Prior to that, he served as Institutional Research Associate at Collin County Community College District's Office of the President and Training and Research Consultant at Texas Christian University's Institute of Behavioral Research. Dr. Moreland is a member of the International Leadership Association, the American Educational Research Association, and the American Psychological Society. Dr. Moreland holds a PhD and a master's degree in General Experimental Psychology from Texas Christian University and a bachelor's degree in Psychology from Stephen F. Austin State University.

Dr. Charles R. Minnick, President, Clinton Campus

Dr. Minnick provides overall leadership and direction to the Clinton Campus of Ashford University. He is responsible for overseeing the Clinton Campus's employees and its various departments, including registrar, financial aid, facilities, safety and security, academic affairs, information technology, veteran's affairs and finance, human resources, Center for the Excellence in Teaching and Learning, academic integrity, and student services. Dr. Minnick has held several key positions with Ashford University. He was Vice President/Campus Director as well as Dean and Professor at the Forbes School of Business. Prior to that, Dr. Minnick served at St. Ambrose University in the positions of Instructor, Associate Director of its Master of Organizational Leadership Program, and Adjunct Professor. Dr. Minnick is a member of the Association of Leadership Educators, the American Management Association, the American Marketing Association, the Society for College and University Planning, the National Institute for Staff and Organizational Development, and the Public Relations Network of the Quad Cities. Dr. Minnick holds a PhD in Applied Management and Decision Sciences from Walden University, an MBA from St. Ambrose University, and a bachelor's degree in Mass Communications from St. Ambrose University.

Michael Robinson, Vice President, University Services and Policy

Mr. Robinson is responsible for developing policies and procedures to implement Ashford University's strategic initiatives. In addition, he manages publication of Ashford University's academic catalog and other institutional policy and procedure manuals. Mr. Robinson also oversees Ashford University's institutional compliance with federal, state, and accrediting body requirements, including gainful employment regulations, California state regulations, and Western Association of Schools and Colleges accreditation requirements. Prior to serving in his current position with Ashford University, Mr. Robinson served as Dean of Students at Southwest College of Naturopathic Medicine. Before that, he held various roles at Argosy University, including those of Vice President of Academic and Student Services, Interim Campus President, Associate Vice President of Student Services, and Director of Student Services. Mr. Robinson received his Master of Arts in Educational Leadership from the University of Northern Colorado and his bachelor's degree from Berea College.

Dr. Stephen Nettles, Associate Vice President, Institutional Effectiveness

Dr. Nettles provides leadership in conducting evaluations and research on critical issues of Ashford University, supporting accreditation efforts, and implementing institutional quality initiatives. Dr. Nettles brings more than 25 years of experience in education ranging from elementary school teacher, education consultant, researcher, and administrator to Ashford University. His previous academic leadership experience includes positions as Associate Vice President of Institutional Effectiveness at Ashford University, Executive Director of Institutional Effectiveness at Gulf Coast State College, Center Director/Associate in Research at Florida State University's Center for Educational Research and Policy Studies, and Director of Research and Evaluation/Associate in Research at Florida Center for Reading Research. Dr. Nettles is a member of the Society for College and University Planning, Association of Governing Boards of Universities and Colleges, American Association of Community Colleges, American Association of College Board Trustees, Association of Florida Colleges, California Association of Institutional Research, and American Association of Institutional Research. Dr. Nettles holds a PhD and a master's degree in Educational Leadership/Administration from Florida State University and a bachelor's degree in Sociology from Emory University.

Stephanie Cowsert, Associate Vice President, Financial Aid Policy & Compliance

Ms. Cowsert is responsible for maintaining and administering all financial aid programs, including applications, reporting requirements, and fund reconciliation. She is also responsible for ensuring compliance with all regulatory and institutional policies as well as participating in annual and internal financial audits. Before taking on her current position, Ms. Cowsert served as Director of Financial Aid and Policy as well as Policy and Project Manager. She has also served in other financial services roles, including those of Director of Financial Aid Operations and Student Accounts at InSource (Bridgepoint Education) and Director of Financial Services at University of the Rockies. Ms. Cowsert received her Master of Arts in English from National University, her Master of Arts in Education with specializations in Culturally Responsive Education and English Language Learners from Ashford University, and her bachelor's degree in Human Development and Family Studies from Texas Tech University.

Thuy Lien, Assistant Secretary

Ms. Lien is the assistant to Ashford University's President and Chief Executive Officer and Ashford University's Board of Trustees. She is also responsible for managing the day-to-day operations of the President's Office. She plans, facilitates, and coordinates events and projects initiated by the President as well as trains the team of Ashford University's executive assistants to provide standardize support. Ms. Lien previously worked at AT&T Mobility as a Sales Operations Compensation Analyst and held administrative roles at University of California, San Diego and California State University San Marcos. Ms. Lien holds an MBA in Finance from Ashford University and a bachelor's degree in Business Administration from University of Phoenix.

Poppy Fitch, Associate Vice President, Student Affairs, ADA/Title IX Coordinator

Ms. Fitch provides leadership to the Student Affairs division encompassing judicial affairs, counseling and health/wellness, disability services, crisis management/behavioral intervention, student activities, peer mentoring, and equity programs. She is also responsible for directing and overseeing the development, implementation, and assessment of policies and procedures of the Student Affairs division. Prior to serving in her current position with Ashford University, Ms. Fitch served as Disability Services Manager at Bridgepoint Education and also worked for Cuyamaca College's Disabled Student Programs and Services. Ms. Fitch is pursuing an Ed.D in Educational Leadership from San Diego State University and holds a master's degree in Education with an emphasis in Multicultural Counseling from San Diego State University, a bachelor's degree in Behavioral Science from National University, and an associate's degree in General Studies from Grossmont College.

Dr. Iris Lafferty, Associate Vice President, Academic Affairs

Dr. Lafferty supports leadership with academic planning, communication, system innovation, accreditation, and resource development across Ashford University's academic affairs units. She also provides support for department budgeting, monitor academic services key performance indicators, curricular/program development, and strategy alignment. Her previous academic leadership experience includes positions as Associate Dean of the College of Education and Academic Department Chair at Ashford University. Before that, Dr. Lafferty was on the Adjunct Faculty of Psychology Departments at California State University San Marcos, Palomar College, Biola University, and Mira Costa College. Prior to her teaching roles, Dr. Lafferty worked at KBL Consulting, Inc., CMP Media, Worth Publishers, and Mattel Interactive. Dr. Lafferty is a member of the WASC Secondary Schools Commission. Dr. Lafferty holds an Ed.D in Human Development & Psychology, an Ed.M in Counseling & Consulting Psychology, and an Ed.M in Technology in Education from Harvard University and a bachelor's degree in Developmental Psychology from the University of California, San Diego.

Jacquie Furtado, Associate Vice President of Strategy Management & Engagement

Ms. Furtado leads the integrated strategic planning and management efforts for Ashford University and is responsible for developing and managing the institutional strategy, plan timelines, progress, and impact, as well as aligning assessment and resource allocation. Prior to her current position with Ashford University, Ms. Furtado served as Associate Faculty member and Director of Strategic Planning & Management. Before that, Ms. Furtado served The Art Institute of California – San Diego in the roles of Associate Dean of Student Affairs, Director of Institutional Effectiveness, Associate Registrar, and Transfer Credit Coordinator. Ms. Furtado is also a published author and presenter at conferences and workshops. Ms. Furtado is a member of American Association of Collegiate Registrars and Admissions Officers, Association for Institutional Research, and Society for College and University Planning. She is also a Board Member of San Diego Army Advisory Council and Economic Development Committee Foundation. Ms. Furtado holds an Ed.M in Leadership from Argosy University and a bachelor's degree in Marketing Communications from Columbia College.

Morgan Johnson, Associate Vice President, Center for Excellence in Teaching and Learning

Ms. Johnson provides leadership to Ashford University's teaching and learning mission, institutional support, and faculty engagement in the improvement of student learning through ongoing, intentional renewal of teaching practices. Before taking on her current role, Ms. Johnson served as Director of Instructional Services, Associate Director of Writing Services, Writing Services Manager, and Writing Instructional Specialist. A member of the faculties of the Ashford University and Cornerstone University, Ms. Johnson is also a published author and presenter at conferences and workshops. Ms. Johnson is pursuing a Ph.D in Organizational Development and Leadership from University of the Rockies and holds a master's degree in Education with a specialization in Distance Learning and a master's degree in Organizational Management from Ashford University, and a bachelor's degree in Public Relations and Marketing Communication from St. Ambrose University.

Tricia Lauer, Associate Vice President, Learning Assessment and Program Review

Ms. Lauer provides leadership implementing an institution-wide assessment program aimed at improving student achievement and is also responsible for developing and implementing systematic program review processes as well as course assessment material. Before taking on her current position, Ms. Lauer served as Director of Online Assessment and Manager of Campus Assessment. Ms. Lauer was also previously Director of Assessment and Accreditation at Point Loma Nazarene University's School of Education. Ms. Lauer is pursuing a Ph.D in Organizational Development and Leadership from University of the Rockies and holds a master's degree in Education from Kansas State University, and a bachelor's degree in Mathematics from Iowa State University.

Employees

In connection with the Nonprofit Conversion, it is anticipated that the Organization will employ each of the following employees for the same position as they currently hold with Ashford LLC. Each will be generally responsible for the duties consistent with their respective titles. A biographical resume of each employee is provided below.

Dr. Eric Klein, Dean, Honors College

Dr. Klein provides leadership in all aspects of the operation of Ashford University's Honors College. He is responsible for developing a vision for the success of the Honors College and its graduates, developing, and planning strategies to recruit and retain students, ensuring sustainable delivery of a quality curriculum, supporting accreditation and institutional effectiveness activities of Ashford University, and supervising the faculty, staff, and financial resources of the Honors College. Before taking on his current position, Dr. Klein was Associate Dean of the College of Liberal Arts, Academic Department Chair of the Social and Behavioral Sciences program, and Assistant Professor and Chair of the Psychology program, all with Ashford University. Prior to joining Ashford University, Dr. Klein was Staff Psychologist at Lehigh University's Counseling and Psychological

Services. Dr. Klein has held teaching positions with the University of Maryland University College, Lehigh University, Fairleigh Dickinson University and The College of New Jersey. Dr. Klein is also a published author and presenter at conferences and workshops. Dr. Klein is involved with Association of American Colleges and University, WASC Senior College and University Commission, Common Ground, Journal of Instructional Research, Insight: A Journal of Scholarly Teaching, and The Society for the Teaching of Psychology (Division 2 of APA), University of San Diego, Department of Leadership Studies, Downtown San Diego Partnership, and San Diego Regional Chamber of Commerce. Dr. Klein holds a Ph.D in Clinical Psychology and a master's degree in General-Theoretical Psychology from Fairleigh Dickinson University and a bachelor's degree in Psychology from The College of New Jersey.

Dr. Jeffrey Hall, Associate Dean, Division of General Education

Dr. Hall provides leadership to the full-time faculty and adjunct faculty in the facilitation of online, entry point, and social science courses. Dr. Hall is also responsible for guiding and contributing to curriculum, textbooks, and learning activities as well as ensuring instructional quality of adjunct faculty through systematic peer review, professional development, mentoring, and faculty coaching. Prior to his current position, Dr. Hall served as Academic Department Chair of the College of Education and Division of General Education and Associate Professor and Program Chair of the College of Education. Prior to joining Ashford University, Dr. Hall held teaching positions with the University of Nevada, Las Vegas and the University of South Florida. Dr. Hall is also a published author and presenter at conferences and workshops. Dr. Hall is a member of International Society of Self-Directed Learning, National Association of Student Personnel Administrators, and National College Learning Center. Dr. Hall holds an Ed.D in Higher Education Leadership, an Ed.M in Curriculum and Instruction, and a bachelor's degree in Education from the University of South Florida as well as an associate's degree from the University of Northern Florida.

Dr. Richard Pattenaude, President Emeritus and Professor of Political Science

Dr. Pattenaude is President Emeritus and Professor of Political Science at Ashford University. Dr. Pattenaude joined Ashford University in October 2012 and served as its President and Chief Executive Officer until May 2016. Dr. Pattenaude spearheaded Ashford University's strategic planning and accreditation process. In June 2013, Ashford University obtained initial accreditation from the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges (WASC). His previous leadership positions include Chancellor of the University of Maine System, President of the University of Southern Maine, Vice President for Academic Affairs at Central Connecticut State University, and Associate Dean of Arts and Sciences at Drake University. He served as Vice-Chair and Chair of the Commission on Institutions of Higher Education for the New England Association of Schools and Colleges (NEASC). Active in the community, he currently serves on the Boards of San Diego United Way, the California VetFund Foundation, the Council for Adult and Experiential Learning (CAEL), the Council for Higher Education Accreditation (CHEA), and the California Chamber of Commerce. Dr. Pattenaude earned a Ph.D. in Political Science from the University of

Colorado and a bachelor's degree in Economics from San Jose State University. He is a Vietnam Veteran.

Dr. Loraine Devos-Camby, Director of Institutional Effectiveness

Dr. Devos-Camby leads an analytical team that uses institutional data to address questions on student performance and policy impact. Prior to joining Ashford University, Dr. Devos-Camby held research positions with San Diego State University, the University of Lausanne, as well as HIV Action Initiative and was Post-Doctoral Fellow and Project Director at Yale University's Department of Psychology. While at San Diego State University, Yale University, and the University of Lausanne, Dr. Devos-Camby had teaching positions. Dr. Devos-Camby has also previously worked at Versus Systems SA, The International Committee of the Red Cross, and Department of Education of Canton of Valais (Switzerland). Dr. Devos-Camby is also a published author and presenter at conferences and workshops. Dr. Devos-Camby is a member of American Evaluation Association, Association for Institutional Research Association for the Assessment of Learning in Higher Education, and Student Affairs Professionals in Higher Education (NASPA). Dr. Devos-Camby completed a Ph.D in Social Sciences, a European master's degree in Advanced Studies, a Master's Thesis in Social and Education Sciences, and a bachelor's degree in Social and Education Sciences from the University of Lausanne.

Wendy Sickora, Military and Academic Outreach Director

Ms. Sickora leads Ashford University's team of Military and Academic Partnerships Outreach managers. Before taking on her current role, Ms. Sickora served as Military Education Outreach Manager and Military Enrollment Advisor. Prior to that, Ms. Sickora held various duties in the United States Marine Corps and Marine Corps Reserve. Ms. Sickora holds a bachelor's degree in Organizational Management from Ashford University and an associate's degree in Selective Studies from San Diego Miramar College.

Independent Contractors

As is described above in Part I, Section 8 and Part IV, Ashford LLC has engaged a number of independent advisors to assist it with the establishment of the Organization and the review, consideration, evaluation, negotiation, and documentation of the Nonprofit Conversion and Bridgepoint Services. Since the Organization is the intended successor of Ashford LLC following the Nonprofit Conversion, these engagements will ultimately inure to the benefit of the Organization. The specific names and credentials of these advisors are provided in Part IV above.

In addition, following completion of the Nonprofit Conversion, Bridgepoint will provide the Organization with the Bridgepoint Services as more fully described in Part IV. Bridgepoint is the parent company of Ashford LLC and Rockies LLC. Additional information regarding Bridgepoint can be found on its website (<http://www.bridgepointeducation.com>).

- 3b. Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c receive compensation**

from any other organizations, whether tax exempt or taxable, that are related to you through common control.

Until the completion of the Nonprofit Conversion, each such officer, trustee, and employee of the Organization will hold the same position with Ashford LLC and will be compensated for such position by Ashford LLC. Each such person will cease to receive compensation from Ashford LLC when he or she begins to receive compensation from the Organization following the completion of the Nonprofit Conversion. The Organization's relationship to Ashford LLC is described in Part IV. The duties each such person performs with Ashford LLC are substantially the same as the duties he or she will perform with the Organization after the Nonprofit Conversion. As discussed in Part V, Line 2a above, the Organization has determined that maintaining continuity in the governance structure of Ashford University furthers its educational mission. The Organization anticipates that it will provide compensation to such persons in amounts similar to that provided by Ashford LLC, subject to a determination of the reasonableness of such compensation in accordance with Treas. Regs. § 53.4958-6(c)(2)(i). As addressed in Part V, Line 6a below, the Organization plans to minimize or not provide incentive-based compensation for officers and employees.

5a. Have you adopted a conflict of interest policy consistent with the sample conflict of interest policy in Appendix A to the instructions?

The Organization's Board of Directors adopted a comprehensive Conflict of Interest Policy by resolution on May 18, 2018. A copy of the Conflict of Interest Policy is attached as Exhibit F.

6a. Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c through non-fixed payments, such as discretionary bonuses or revenue-based payments?

Yes. The Organization currently anticipates that Bridgepoint will receive revenue-based compensation for the OPM Services, as described in Part IV and the accompanying exhibits.

To the extent any of the Organization's trustees, officers, or highest compensated employees receive non-fixed payments, such payments will be limited to cash bonus compensation for achievement of specific performance metrics, which will be subject to a determination of reasonableness, in accordance with guidance in the Treasury Regulations, on "compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; the availability of similar services in the geographic area of the applicable tax-exempt organization; current compensation surveys compiled by independent firms; and actual written offers from similar institutions competing for the services" of the Organization's employees. See Treas. Regs. § 53.4958-6(c)(2)(i). All such compensation arrangements will be subject to a cap and approved by the independent members of the Organization's board. In compliance with U.S. Department of Education regulations (34 CFR 668.14(b)(22)), in no case will the Organization provide any commission, bonus, or other incentive payment based in any part, directly or indirectly, upon success in securing

enrollments or the award of financial aid, to any person who is engaged in any student recruitment or admission activity, or in making decisions regarding the award of federal student financial aid funds.

7a. Do you or will you purchase any goods, services or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c?

Yes, from the Organization's highest compensated independent contractor. The Organization will assume ownership and operation of Ashford University as part of the Nonprofit Conversion. In addition, the Organization will contract with Bridgepoint to provide the Bridgepoint Services. The procedures and safeguards the Organization is employing to ensure that (a) the agreements for the Nonprofit Conversion and Bridgepoint Services are negotiated at arms-length and (b) the Organization is paying no more than fair market value for the Nonprofit Conversion and Bridgepoint Services are discussed in Part IV.

8a. Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c?

Yes, with the Organization's highest compensated independent contractor. In connection with the Nonprofit Conversion, the Organization will be entering into the contracts and agreements described in Part IV. The procedures and safeguards the Organization is employing to ensure that (a) such contracts and agreements are negotiated at arms-length and (b) the Organization is paying no more than fair market value for the benefits received are discussed in Part IV.

In addition, Bridgepoint currently leases commercial real estate to Ashford LLC for the following locations at rental rates that are no more than fair market rental rates:

1. 8620 Spectrum Center Blvd., San Diego, CA 92123 (Lease Ending 2/15/2020)
2. 1515 Arapahoe St., Tower 3, Floor 11, Denver, CO 80202 (Lease Ending 8/31/2021)
3. 1201 16th St., Ste. 200, Denver, CO 80202 (Lease Ending 3/31/2023)
4. 7360 S. Kyrene Rd., Ste. 105, Phoenix, AZ 85283 (Lease Ending 2/28/2019)
5. 1301 19th Ave., NW, Clinton, IA 52732 (Lease Ending 6/30/2018)

Upon consummation of the Nonprofit Conversion, the Organization currently intends to enter into new subleases with Bridgepoint for some or all of the locations noted above. The Special Committee will negotiate fair market rental rates and terms for such subleases. The Organization is also considering opportunities to secure new space other than from Bridgepoint as the existing leases expire.

To the extent necessary for Bridgepoint to provide the Organization the Bridgepoint Services, and for the Organization to receive the full benefit of such Services, Bridgepoint and the Organization will license certain intellectual property to one another pursuant to the

agreements for the Bridgepoint Services described in Part IV. See Part VIII, Line 10 for additional information.

Ashford LLC and Dr. Richard Pattenau (President Emeritus and one of the highest compensated employees) are parties to an Employment Agreement dated October 19, 2012. The Organization does not presently intend to assume this Employment Agreement in the Nonprofit Conversion.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

1a. In carrying out your exempt purposes, do you provide goods, services or funds to individuals?

Yes. The Organization provides high-quality, accessible, affordable, innovative educational programs that meet the diverse needs of individuals pursuing advancement in their lives, professions, and communities.

1b. In carrying out your exempt purposes, do you provide goods, services or funds to organizations?

Yes. The Organization does not current make grants or other distributions to other organizations but may make such grants or other distributions in the future, as further described in Part VIII, Line 13.

2. Do any of your programs limit the provision of goods, services or funds to a specific individual or group of specific individuals?

No. However, certain educational grants offered by the Organization are limited to members of an eligible group (e.g., veterans of the U.S. Armed Forces).

3. Do any individuals who receive goods, services or funds through your programs have a family or business relationship with any officer, director, trustee or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, or 1c?

Eligible employees of the Organization will be permitted to participate in the Organization's Education Tuition Benefit Program, which will allow such employees (and certain family members) to receive tuition discounts or waivers for courses offered by Ashford University.

Part VIII Your Specific Activities

4a. Do you or will you undertake fundraising?

The Organization does not currently conduct any fundraising activities. The Organization anticipates developing and implementing fundraising programs in the future to help further its exempt purposes, generally consistent in character with programs utilized by other nonprofit post-secondary educational institutions. As part of these programs, the Organization may engage in one or more solicitation activities that are allowable under the Code and permitted under applicable state law, including, by way of example and not limitation, mail solicitations, email solicitations, phone solicitations and accepting donations on its website.

4d. List all states and local jurisdictions in which you conduct fundraising.

The Organization does not currently conduct any fundraising activities. Future fundraising programs for the Organization may occur in any state or local jurisdiction. The Organization will not have any other organization performing its fundraising nor does the Organization expect to raise funds for any other organization. The Organization will comply with charitable solicitation registration requirements for each state in which it plans to solicit contributions in accordance with the state's requirements.

7b. Do or will persons other than your employees or volunteers manage your activities or facilities?

Yes. Bridgepoint will provide the Organization with the Bridgepoint Services as described in Part IV.

7c. If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals and explain the relationship, describe how contracts are negotiated at arms-length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

At the time at which Bridgepoint begins to render services to the Organization following the Nonprofit Conversion, there will be no such business or family relationship. See response to Part V, Line 2c for information regarding past relationships between the Organization's trustees and officers and Bridgepoint.

8. Do you or will you enter into joint ventures, including partnerships or limited liability companies treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations?

The Organization has not entered into any joint ventures nor are any joint ventures currently planned. However, if necessary or appropriate, and subject to the limitations established under the Code, the Organization may enter into joint ventures as needed to achieve the objectives of the organization; provided, however, that any joint venture agreement must: (a) further the

Organization's exempt purposes; (b) give priority to the Organization's exempt purposes over maximizing profits for the other participants; (c) be more favorable to and controlled by the Organization; and (d) not jeopardize the Organization's exempt status.

Ashford University LLC and Teaching Channel, Inc. are currently parties to a Continuing Education Agreement (the "*TC Agreement*"), under which they collaborate with one another in connection with the creation and offering of continuing education courses aimed at teachers referred to as the "Teaching Continuing Education Program". The Organization anticipates it will continue the collaboration under the TC Agreement after the Nonprofit Conversion. The TC Agreement will further the tax exempt purposes of the Organization by providing continuing education to teachers. Each party to the TC Agreement is responsible for its own costs and expenses in fulfilling its duties under the TC Agreement. The TC Agreement does not create a joint venture, agency relationship, or partnership.

10. Do you or will you publish, own or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property?

Ashford LLC currently owns certain intellectual property associated with the operation of Ashford University and University of the Rockies. Upon consummation of the Nonprofit Conversion, all intellectual property owned by Ashford LLC will be owned by the Organization by operation of law. To the extent necessary for Bridgepoint to provide the Organization the Bridgepoint Services, and for the Organization to receive the full benefit of such Services, Bridgepoint and the Organization will license certain intellectual property to one another pursuant to the agreements for the Bridgepoint Services described in Part IV, and for no additional consideration.

As may be determined by the Organization's Board of Trustees and officers, copyrights, patents, trademarks, and other intellectual property of the Organization may be licensed, transferred, or sold in furtherance of the Organization's exempt purposes. Upon dissolution of the Organization, such copyrights, patents, trademarks, and other intellectual property would be disposed of as required under the Organization's Articles of Incorporation.

11. Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type?

The Organization may, at the discretion of its Board of Trustees, accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles. Subject to the limitations established under the Code, the Organization may establish conditions or agreements regarding such contributions. However, such conditions or agreements shall further the Organization's exempt purposes and not jeopardize the Organization's exempt status.

13a. Do you or will you make grants, loans, or other distributions to organization(s)?

The Organization does not currently make grants or other distributions to any other organizations but may make such grants or other distributions in the future. To the extent any such grants or distributions are made in the future, they will only be made to other tax-exempt organizations and in furtherance of the Organization's mission and tax-exempt purposes.

13b. Describe how your grants, loans, or other distributions to organizations further your exempt purposes.

The Organization is primarily a post-secondary educational institution that provides high-quality, accessible, affordable, innovative educational programs that meet the diverse needs of individuals pursuing advancement in their lives professions, and communities. To the extent that the Organization makes grants and/or distributions to other tax exempt organizations in the future, such grants and distributions will further the Organization's mission and exempt purposes.

13c. Describe the records you keep with respect to the grants, loans, or other distributions you make.

Currently, the Organization does not make grants or other distributions to any other organizations. To the extent that the Organization implements a grant program for organizations, the Organization will maintain detailed records of such grants including:

- Name and address of each grantee;
- Amount that was given to each grantee;
- The purposes for which the grant was given;
- The basis upon which the grant was awarded; and
- Any relationship between the grant recipient and any officer, director, employee, or substantial donor of the Organization.

13f. Describe your selection process.

To the extent the Organization implements a grant program for organizations in the future, grant recipients will be selected based on objective, non-discriminatory criteria, as determined by the Organization from time to time.

13g. Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.

Currently, the Organization does not make grants or other distributions to any other organizations. To the extent the Organization implements a grant program for organizations in the future, the Organization will establish procedures for oversight of distributions that assure the resources provided are used to further its exempt purposes. All grant recipients will be required to use the grant funds only for the tax exempt purposes for which the grant was made.

15. Do you have a close connection with any organizations?

Currently, the Organization and Ashford LLC share the same trustees and officers and, thus, the Organization has close connection to Ashford LLC. Bridgepoint is the current parent company of Ashford LLC.

After the Nonprofit Conversion, as described in Part IV, the Organization will not have a close connection to any other organization. No other organization will control the Organization through common control or budgetary authority. No common person will exercise substantial influences over the Organization and another organization.

Part IX Financial Data

3. Gross Investment Income

The Organization may, in the future, establish an endowment fund, which will produce gross investment income.

14. Fundraising Expenses

The Organization may, in the future, conduct one or more fundraising activities, which will produce fundraising expenses.

23. Other Expenses

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bridgepoint Services	-	\$287,618,000	\$289,889,000
Bad Debt	-	\$30,733,000	\$30,918,000
Other Costs	-	<u>\$53,007,000</u>	<u>\$53,316,000</u>
Total	-	\$371,358,000	\$374,123,000

SCHEDULE B

Section I – Operational Information

1b. Is the primary function of your school the presentation of formal instruction?

Yes. The Organization is a post-secondary educational institution that provides high-quality, accessible, affordable, innovative educational programs that meet the diverse needs of individuals pursuing advancement in their lives professions, and communities. The Organization awards undergraduate and graduate degrees.

3. In what public school district, county and state are you located?

In addition to a robust catalog of online educational programs, Ashford University has a physical campus in Clinton, Iowa, and, following the Rockies Merger as described in Part IV, will have a physical campus in Denver, Colorado.

8. Do you or will you manage your activities or facilities through your own employees or volunteers?

The Organization will have its own offices and employees. As previously described in Part IV, Bridgepoint will provide the Organization with the Bridgepoint Services. The procedures and safeguards the Organization is employing to ensure that (a) the agreements for the Bridgepoint Services are negotiated at arms-length and (b) the Organization is paying no more than fair market value for the Bridgepoint Services as discussed in Part IV. The Organization will manage all core academic and educational programs itself.

Section II – Establishment of Racially Nondiscriminatory Policy

1. Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws or by resolution of your governing body?

Yes. The Organization's nondiscriminatory policy is Article V.G of the Organization's Articles of Incorporation (attached as Exhibit A).

3. Have you published notice of your racially nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community?

The publication requirement of Revenue Procedure 75-50 does not apply to the Organization pursuant to section 4.03.2(b) of the Revenue Procedure because the Organization draws a substantial percentage of its students nationwide, follows a racially nondiscriminatory policy as to students and will comply with section 4.02 of the Revenue Procedure.

SCHEDULE G – SUCCESSORS TO OTHER ORGANIZATIONS

1a. Are you a successor to a for-profit organization?

Yes. The Organization's relationship to Ashford LLC, Ashford Inc., and Ashford NFP is explained in Part IV.

1b. Explain why you took over the activities or assets of a for-profit organization or converted from for-profit to nonprofit status.

Roughly 13 years ago, Franciscan University of the Prairies became Ashford University and underwent a conversion from nonprofit status to for-profit status. That conversion to for-profit status made sense at that place, in that time, and in that context. It prevented the closing of the University, kept the residential campus alive for another decade, and served an additional generation of students. It also allowed the institution to evolve and grow, and to serve many thousands of students through Ashford University's expertise in online education.

Over the past decade, however, the higher education landscape has evolved rapidly. Large-scale economic, demographic, and technological changes require that, in order to remain sustainable, institutions adapt and evolve. By returning to its roots as an independent, self-governed, nonprofit institution via the Nonprofit Conversion, Ashford University will be in a strengthened position to adapt to a vastly different environment than that which existed just 13 years ago when Franciscan University of the Prairies became Ashford University.

The effects of market forces driving change across higher education, combined with lower public perceptions of for-profit institutions, represent challenges to Ashford University's ability to fulfill its mission and achieve long-term sustainability. As the higher education landscape has evolved, the University's leaders recognize that it needs to evolve as well. Just as the transition the University underwent 13 years ago made sense then, this transition makes sense now.

The proposed return of Ashford University via the Nonprofit Conversion described in Part IV to an independent, self-governed, nonprofit institution owned and operated by the Organization better positions it to respond in ways that will contribute to the changing future of our higher education system. It will warrant increased confidence that the University can continue to serve the educational needs of a dynamically changing student population. The University's sustainability will therefore be strengthened by the Nonprofit Conversion, as will its ability to fulfill its mission to the benefit of students and our society.

2a. Are you a successor to an organization other than a for-profit organization?

Yes. As part of the series of transactions required for the Nonprofit Conversion as described in Part IV, Ashford NFP, a California nonprofit public benefit corporation, will be merged into the Organization in the NFP Merger.

5. Racial Composition Table for Students, Faculty and Administrative Staff

The table below reflects combined numbers for the Ashford University and University of the Rockies for the current year (2018) and the next year (2019). The Organization anticipates having substantially similar numbers.

Racial Category	Student Body (2018)	Student Body (2019)	Faculty* (2018)	Faculty* (2019)	Admin. Staff (2018)	Admin. Staff (2019)
Not Specified	1,728	1,794	425	425	45	45
Hispanics (Any Race)	9,815	10,189	182	182	36	36
American Indian or Alaska Native	692	718	24	24	2	2
Asian	1,271	1,319	110	110	19	19
Black or African American	31,230	32,420	612	612	22	22
Native Hawaiian or Other Pac. Islander	663	688	21	21	5	5
White	33,243	34,509	2775	2775	204	204
2 or More Races	3,236	3,359	133	133	16	16

* Faculty numbers include both full and part time faculty.

6. Racial Composition Table for Loans and Scholarships

The table below reflects combined numbers for Ashford University and University of the Rockies for the current year (2018) and the next year (2019). The Organization anticipates having substantially similar numbers. Ashford LLC and Rockies LLC have not made any loans. The Organization does not anticipate making any loans.

Racial Category	Number of Scholarships (2018)	Amount of Scholarships (2018)	Number of Scholarships (2019)	Amount of Scholarships (2019)
Not Specified	3,242	\$5,665,507	3,363	\$5,876,770
Hispanics (Any Race)	19,578	\$34,865,916	20,322	\$36,188,549
American Indian or Alaska Native	1,021	\$2,041,822	1,060	\$2,119,814
Asian	2,667	\$4,667,382	2,768	\$4,841,571
Black or African American	49,970	\$95,007,357	51,870	\$98,618,169
Native Hawaiian or Other Pac. Islander	1,405	\$2,572,168	1,458	\$2,668,508
White	62,132	\$116,203,653	64,493	\$120,612,271
2 or More Races	6,301	\$11,388,363	6,541	\$11,822,398

7a. Attach a list of your incorporators, founders, board members and donors of land or buildings, whether individuals or organizations?

The members of the Board of Trustees are listed in Part V, line 1a.

2b. Provide the tax status of the predecessor organization.

None of Ashford LLC, Ashford Inc., or Ashford NFP are (or ever have been) tax exempt.

2e. Explain why you took over the activities or assets of another organization.

See response to line 1b.

3. Provide the name, last address, and EIN of the predecessor organization and describe its activities.

Name: Ashford University, LLC
EIN: 20-2076985
8620 Spectrum Center Blvd.
San Diego, CA 92123

Technically, in the Nonprofit Conversion, Ashford LLC will become Ashford Inc., which will become Ashford NFP, which will be merged with and into the Organization, but each of Ashford Inc. and Ashford NFP will be merely transitory entities that will exist for only such limited, brief period of time as is necessary to facilitate the Nonprofit Conversion. Ashford Inc. and Ashford NFP will have the same address and EIN as Ashford LLC. See Part IV for additional details.

4. List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization.

Bridgepoint was the sole member of Ashford LLC and the sole shareholder of Ashford Inc.

As discussed in Line 2a of Part V, the Organization anticipates that its officers and trustees will be the same individuals who are the officers and trustees of Ashford LLC.

The mailing address of each such person is 8620 Spectrum Center Blvd., San Diego, CA 92123.

5. Do or will any of the persons listed in line 4, maintain a working relationship with you?

Yes. The Organization will enter into service agreements with Bridgepoint to provide the Bridgepoint Services as described in Part IV.

As discussed in Line 2a of Part V, the Organization anticipates that its officers and trustees will be the same individuals who are the officers and trustees of Ashford LLC.

6a. Were any assets transferred, whether by gift or sale, from the predecessor organization to you?

Yes. Upon consummation of the Nonprofit Conversion, all assets of Ashford LLC will, by operation of law, become the assets of the Organization. See Part IV and exhibits referenced therein for additional information.

6c. Provide a copy of the agreement(s) of sale or transfer?

See Part IV and exhibits referenced therein.

7. Were any debts or liabilities transferred from the predecessor for-profit organization to you?

Yes. Upon consummation of the Nonprofit Conversion, all debts and liabilities of Ashford LLC will, by operation of law, become the debts and liabilities of the Organization. Pursuant to the Conversion Agreement, however, Bridgepoint will be indemnifying the Organization for certain debts and liabilities. See Part IV and exhibits referenced therein for additional information.

8. Will you lease or rent any property or equipment previously owned or used by the predecessor for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest?

Yes. See Part V, Line 8 for details.

SCHEDULE H – ORGANIZATIONS PROVIDING SCHOLARSHIPS, FELLOWSHIPS, EDUCATIONAL LOANS OR OTHER EDUCATIONAL GRANTS TO INDIVIDUALS

Section I

1a. Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.

A list of educational grant programs currently offered by Ashford University under the ownership and operation of Ashford LLC and University of the Rockies under the ownership and operation of Rockies LLC is attached as Exhibit G (the “*Educational Grant Programs*”). While the Organization’s own educational grant programs are still under development, the Organization expects to offer educational grant programs similar to the Educational Grant Programs.

Additional information regarding the University of the Rockies Educational Grant Programs can be found online at (<https://www.ashford.edu/tuition-financial-aid/payment-options/scholarships>). Additional information regarding the Ashford University Educational Grant Programs can be found online at (<http://www.rockies.edu/admissions/scholarships.htm>).

After the Nonprofit Conversion, the Organization intends to honor any outstanding grants awarded by Ashford University or University of the Rockies prior to the Nonprofit Conversion. Any educational grants awarded after the Nonprofit Conversion will be made in accordance with new policies, programs, and procedures currently under development by the Organization. In any case, grant recipients will be selected based on objective, non-discriminatory criteria, as determined by the Organization from time to time.

1b. Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.

The Organization is primarily a post-secondary educational institution that provides high-quality, accessible, affordable, innovative educational programs that meet the diverse needs of individuals pursuing advancement in their lives professions, and communities. The purpose of the Organization's educational grant programs will be to provide grants and scholarships to individuals based on need and/or merit and in furtherance of the Organization's mission.

As discussed in Line 1a, the Organization is still in the process of developing its educational grant programs; however, the Organization expects to offer educational grant programs similar to the Educational Grant Programs. The current amounts of the Educational Grant Programs are described in the column of Exhibit G entitled "Amount".

1c. If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).

The Organization does not anticipate making educational loans. Qualified students receive federal student loans.

1d. Specify how your program is publicized.

The Organization anticipates publicizing its educational grants on the Ashford University website (<https://www.ashford.edu>). The Organization may also publicize its educational grant programs more broadly both online (e.g., web-based advertising) and in print form.

1e. Provide copies of any solicitation or announcement materials.

The Organization is developing new solicitation and announcement materials as part of its conversion to tax-exempt status.

1f. Provide a sample copy of the application used.

The Organization is in the process of developing new application materials as part of its conversion to tax-exempt status. Current applications for Ashford University educational grants can be found online at (<https://www.ashford.edu/tuition-financial-aid/payment->

options/scholarships). Current applications for University of the Rockies educational grants can be found online at (<http://www.rockies.edu/admissions/scholarships.htm>).

3. Describe the specific criteria you use to determine who is eligible for your program.

As discussed in Line 1a, the Organization is still in the process of developing its educational grant programs; however, the Organization expects to offer educational grant programs similar to the Educational Grant Programs. The current eligibility criteria of each Educational Grant Program is described in Exhibit G, particularly the column entitled "Class of Persons Eligible".

Moreover, all Merit Scholarships offered by University of the Rockies as part of the Educational Grant Programs are subject to the following eligibility requirements:

- Applicants must be current Master's or Doctoral students at University of the Rockies with a GPA of 3.7 or higher at the time of application.
- Applicants must have completed at least nine credits and be currently enrolled in a course in his/her program by the scholarship award date.
- Applicants must be in good financial standing with the University.
- Applicants must be enrolled in a ground-based or online degree program.

4a. Describe the specific criteria you use to select recipients.

As discussed in Line 1a, the Organization is still in the process of developing its educational grant programs; however, the Organization expects to offer educational grant programs similar to the Educational Grant Programs. The current selection criteria of each Educational Grant Program is described in Exhibit G, particularly the columns entitled "Class of Persons Eligible" and "Methodology for Awarding".

4b. Describe how you determine the number of grants that will be made annually.

The number of grants made annually will depend on a variety of factors and will generally be made on a grant program-by-grant program basis. Such factors include, but are not limited to, current enrollment and availability of funding.

4c. Describe how you determine the amount of each of your grants.

The amount of each grant will depend on a variety of factors and will generally be made on a grant program-by-grant program basis. Such factors include, but are not limited to, current enrollment, availability of funding and the number of eligible students.

4d. Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant.

To be eligible for educational grants, the recipient must meet admission requirements. To remain eligible going forward, the recipient must maintain satisfactory academic progress and

remain continuously enrolled or on an approved break from the educational program in which he or she is participating.

Some educational grant programs may have additional requirements. As discussed in Line 1a, the Organization is still in the process of developing its educational grant programs; however, the Organization expects to offer educational grant programs similar to the Educational Grant Programs. Additional information regarding requirements and conditions currently imposed on grant recipients under certain Educational Grant Programs is contained the column of Exhibit G entitled "Additional Information".

- 5. Describe your procedures for supervising scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grades transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.**

At a minimum, the Organization will conduct a monthly review to determine if any students have failed to maintain eligibility requirements. If such a failure occurs, the Organization will take appropriate corrective action depending on the facts and circumstances surrounding such failure.

- 6. Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?**

As discussed in Line 1a, the Organization is still in the process of developing its educational grant programs, including the selection committee procedures; however, the Organization expects to offer educational grant programs similar to the Educational Grant Programs. The current general selection criteria of the Educational Grant Programs is described in the column of Exhibit G entitled "Methodology for Awarding".

- 7. Are relatives of members of the selection committee, or of your officers, directors or substantial contributors eligible for awards made under your program?**

Yes. No selection committee members, or officers, directors, or substantial contributors, will be eligible for grants under the Organization's educational grant programs, but relatives of members of the selection committee may be potentially eligible for consideration; provided, however, that any relative of the potential recipient serving on the selection committee may not participate in, or in any way attempt to influence, the selection process.

While not an educational grant program, eligible employees of the Organization may participate in the Organization's Education Tuition Benefit Program. Such program allows such employees (and certain family members) to receive tuition discounts or waivers for courses offered by Ashford University.